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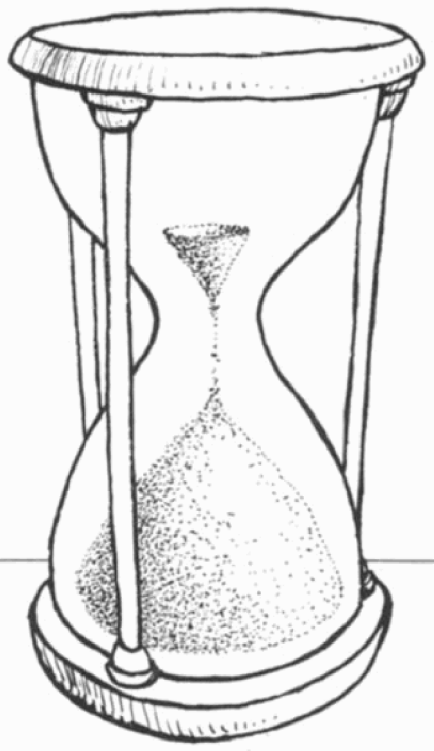

Simon Says: "Time Is Running Out"

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FEBRUARY 1978/VOL. 9, NO. 10

FEATURES

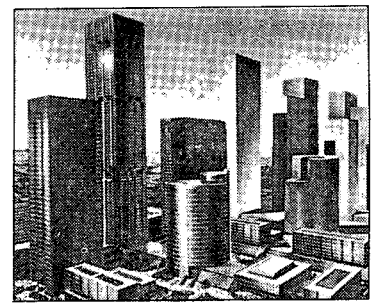
HOUSTON DEFIES THE PLANNERS... AND THRIVES
Take a look at how the nation's fifth largest city solves land use problems–without resorting to zoning.
By Dick Bjornseth **16**

SELLING PROTECTION
The government's proposed national health insurance plan bears more than a vague resemblance to a protection racket.
By Stephen G. Barone **23**

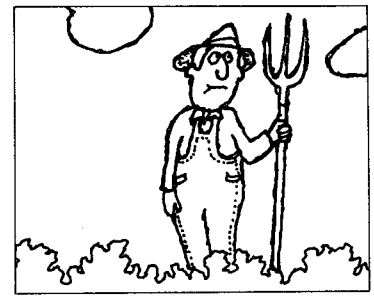
INTERVIEW WITH WILLIAM SIMON
The former Treasury Secretary has sold all his stocks and thinks time is running out for America.
By Thomas W. Hazlett **24**

IMPERIAL VALLEY RIP-OFF
The Interior Department's 160-acre farm limitation amounts to a war against the productive.
By Craig Roberts **30**

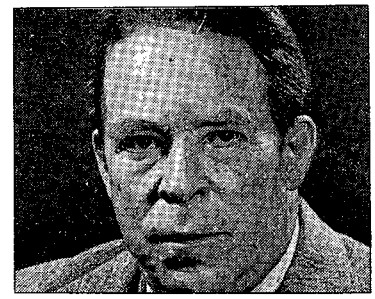
THE COURSE OF HUMAN EVENTS
A distinguished journalist, founder of one of America's leading conservative journals, looks back over a long, productive career.
By Felix Morley **32**



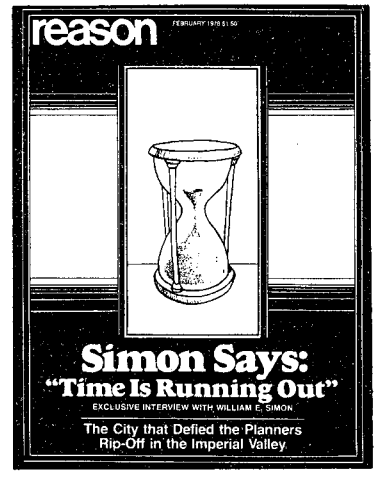
Non-zoned city **16**



Imperiled farmers **30**



Human Events' failure **32**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DEPARTMENTS

EDITORIAL/The Real Problem with Bakke **6**

VIEWPOINT/Warning to Constitutional Republicans **37**

FOREIGN CORRESPONDENT/Cautious Belgian Optimism **39**

MONEY/Why Deflation Will Not Happen **40**

LETTERS **4**
TRENDS **11**
BRICKBATS **14**
WASHINGTON WATCH **41**
MOVIES **42**
BOOK REVIEWS **43**
FRONTLINES **46**
RUDEBARBS **48**
CLASSIFIEDS **50**

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letters

Need for Proof

While the article on the saccharin ban by David Levy (October) was highly informative with regard to the methodology of cancer research, it should have pursued the question further. Levy argues (correctly I might add) that the conclusion of the saccharin study is fallacious because the pigs are assumed to have wings. However rather than argue whether the pigs' wings are real or merely paper (i.e. poor methodology), we should argue the existence of the wings. I have seen no evidence for wings—real or paper. *Science* (July 22, 1977, p. 320) prints a table of the results of the Canadian study. Although the table is incomplete (it fails to mention the number of animals with no tumors), it does, nevertheless, strongly suggest no statistical significance between the control and experimental animals. May I suggest we quit arguing whether the wings are real or paper, and demand to see the complete data and the statistical tests employed to analyze this data.

Furthermore, I should like to know why the scientific community has been so silent with regard to the statistics involved. The table in *Science* was printed in July and as yet (Oct. 31, 1977) I have seen no letters to *Science* questioning the statistical results of the experiment.

John T. Loftus
Chicago, IL

Witch Doctors, Revisited

Jeffrey St. John's insight into the evils of government regulated socialized medical care ("Washington Witch Doctors," October) is equalled by his ignorance of so-called witch doctors. If he took the time to investigate those priest/doctors who deal with their patient's minds and/or spirits as well as their physical beings, I'm sure he would find more allies for his anti-socialism cause than he can find in his homeland per capita.

I have devoted years to the study of "witch doctors" and their methods, their beliefs, and how they apply them. Jeffrey St. John's statement that witch doctors derive their power from "this triple role" (physician, magician and priest) is simply untrue. Nor is it accurate to say, "In a primitive society, treatment by the witch doctors results in a high mortality rate." I realize that most Westerners think that this is the case, but this is because Western scholars have "objective" evidence rather than firsthand experience of the subject. Even Mr. St. John must realize that Western scholars find what they look for and usually look for what they are expected by their peers and financial backers to find.

In Bahia, Brazil—nicknamed "Voodoo Rome"—you do not pay a "witch doctor" (Macumbero) unless you have evidence that his services have improved you, and then you pay him what you think he is worth balanced off by what you can afford. Certainly such an arrangement is far more libertarian than the traditional AMA doctor-patient arrangement, socialized or otherwise.

No so-called witch doctor I ever encountered held power by his *role*. Rather, his power is derived from his demonstrated ability to heal sickness and end misfortune. Anyone can set up shop as a "witch doctor" in such countries as Haiti and Brazil, but only those with proven abilities can make a living.

Mr. St. John's otherwise fine article is marred by his ignorance of "witch doctors," their powers and methods. His notions of what "witch doctors" are derive from a culture which went to extraordinary lengths to stamp out paganism, both in pre-Christianized Europe and in other parts of the world. In fact many modern Houngons, Macumberos, Shangoists, Santeros, etc., share the libertarian ideals.

Robert Gover
Santa Barbara, CA

Response to Anita Bryant

I'd like to thank Anita Bryant [Letters, December] for pointing out the obvious oversight of my article ["A Day Without Property Rights Is Like a Day without Sunshine," September]. I failed to report that the proposed Dade County ordinance would have affected all private (including religious) schools had it survived the referendum. The reason the ordinance did not include *public* schools is that the Dade County Metropolitan Commission has jurisdiction only over the county; the public school system in Florida is governed on the state level.

As I pointed out in my article, had the ordinance passed, it would have certainly been a violation of the property, asso-

ciation, as well as the religious rights of *all* the citizens of Dade County, gay and non-gay alike.

Bryant's closing paragraph in effect says that while she does not morally sanction homosexual acts nor want gay individuals as role models for her children, she does not think anyone should dictate to homosexuals what they can or cannot do in the privacy of their bedrooms.

This being the case, I invite Ms. Bryant to join with me in the campaign to repeal the laws that presently exist in Florida making it a felony to engage in certain types of private, consensual sexual behavior on the part of homosexuals, bisexuals, and heterosexuals. Such an effort would be an opportunity both to clear up the impression given by her previous campaign that she wished to make use of the government to outlaw the existence of homosexuals, and also to extend to all of the people in Florida the freedom to choose their own personal life-styles (as morally reprehensible as she may personally find them to be).

As a homosexual, I have attempted to remain rational and consistent throughout the Dade County controversy by supporting the repeal of the Metropolitan Commission's attempt to obfuscate the rights of its citizens. Will Ms. Bryant also be consistent with her professed belief that it is none of anyone's business what people do in their bedrooms?

Robert Sirico
Los Angeles, CA

Energy Solution

Petr Beckmann is the answer to the "energy crisis"! I enjoyed the two articles by him I have read in REASON. I hope you will continue to consult him on matters relating to the "energy crisis" and I hope to see his articles often in the future.

Richard L. Craig
Hicksville, OH

Quebec Situation

I can't believe Murray Rothbard's recent attack on REASON re: Michael Keerma's article on Quebec (July). If anything, I found Keerma's article to be a model of restraint. All I can say is that it's a good thing I didn't write that report or poor Murray would have had a cardiac arrest.

The truth of the matter is that Quebec separation does not represent the decentralization of power that many foreign observers tend to view it as, but to the contrary a concentration of state power. We are witnessing the birth of an oppressive neo-nazi regime. Yes, nazi is the proper adjective—fanatically nationalistic, racist and socialist (hardly cause for rejoicing amongst libertarians).

Levesque has already indicated his intent to nationalize the insurance industries and financial institutions, not to mention the press and electronic media. Moreover, his extensive legislation, all aimed at promoting the supremacy of the French people, has resulted in a mass exodus of English and non-French Canadian immigrants out of the province to Ontario.

If the demagogues have their way this situation may well degenerate into a Northern Ireland type conflict...sorry fellas—no libertarian enclave but another Cuba—pity.

Vince Miller
Toronto, Ontario

Isolationist Advantages

At last, Joe Paul Barnett (Letters, November) presents the strongest argument for isolationism—that the threat of Soviet aggression is real, but isolationism is our best defense. I'd like to mention

[*Continued on p. 8.*]

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AYN RAND and ALIENATION

(The Platonic Idealism of the Objectivist Ethics and A Rational Alternative) © 1977

by Sid Greenberg

Contrary to the widely accepted views that "Objectivism failed" essentially because of the personalities and attitudes of the founders of the Objectivist movement, or because of the weaknesses of the philosophy's students, **AYN RAND and ALIENATION** by *Sid Greenberg* demonstrates that the failures were and are primarily a result of invalid and therefore rationally unpracticable ethical premises.

AYN RAND and ALIENATION, in a straightforward and uncomplicated manner shows that Objectivism's allegedly rational standard of value and moral primary, "man's life *qua* man," necessarily leads to both emotional alienation and institutionalized guilt-feelings—those experiences so obviously widespread in the Objectivist movement.

AYN RAND and ALIENATION shows that far from leading to happiness, "man's life *qua* man" as one's moral primary insidiously serves to *destroy* it, thus validating Nathaniel Branden's statement that "Objectivism has something anti-emotional about it."

The book further explains how the false and platonic premises of the Objectivist ethics led to the "moral authoritarianism" that was so prominent in the Objectivist movement, and how such premises and practices combined to create other religion-like symptoms in so many of Objectivism's "followers"—symptoms such as psychological automatism, "psycho-epistemological platonism," stultified individuality and creativity, etc. As the book points out, however, the Objectivist ethics have caused not only deep *psychological* damage, but enormous harm to the *Libertarian Movement*—for in reaction to the failure of those ethics on a personal level,*has arisen much counter-productive factionalism and* uncertainty among Libertarians over what constitutes valid conduct in the implementation and practice of political freedom. **AYN RAND and ALIENATION** offers a challenging solution to those problems.

The foregoing describes the first major portion of **AYN RAND and ALIENATION** by *Sid Greenberg*. As important and illuminating as it is, the second portion outdoes it. For therein *is something to create a rejuvenation of excitement over the subject of ethics: The* presentation of an alternative to the ethics of Objectivism, i.e., the introduction of a new standard of value — a standard which, while being *authentically* objective, while being a "tool of cognition," simultaneously allows one to *rationally* hold as a moral primary one's own *happiness*. This, of course, is in opposition to Objectivism's view, which advocates as morally prime an emotionally alienating focus on nothing but abstractions.

The identification of this unifying ethical-psychological concept involves a truly new, radical, and startlingly ingenious departure from certain universally accepted views of the *nature of consciousness*, and represents what might be one of the most original and important ideas in the history of *philosophy*. Interestingly, the proof of this idea involves arguments which are largely similar in *form* to those of Rand on the subject of ethics.

As additional points of interest, **AYN RAND and ALIENATION** presents a brief history of the Objectivist movement, as well as an introductory satirical short story (also by *Sid Greenberg*) dramatizing a style of emotional alienation characteristic of many "students of *Objectivism*."

The book's author, Sid Greenberg, a former long-time "student of Objectivism," is most widely known for his satirical philosophical limericks, and, as publisher of the significantly popular *The I In You*, a book of poetry by Darlene Bridge.

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The Real Problem with Bakke

editorial

One of the crucial difficulities with the *Allan Bakke vs. Regents of the University of California* case is that there can no longer be a principled resolution of the conflict. While to many people this may appear to be an outlandish point, once the government has entered a professional field such as education, the possibility of upholding standards independent of politics is completely absent. This is especially so in a quasi-democratic society.

In his new book *Taking Rights Seriously*, Professor Ronald Dworkin of Oxford University defends the University of Washington School of Law in the Defunis case, partly on grounds that law schools have the right to select candidates on whatever grounds they choose. Dworkin discusses the case as if the University of Washington School of Law had nothing to do with government. His judgment would be valid for the Bakke case if the University of California were a private institution. The reason is that *private* institutions are not legally or morally bound to serve the "public interest" as expressed through complicated quasi-democratic processes at the various county, state, and federal government levels.

If I were to start a college of philosophy, I would have the right (morally speaking) to specify race, religion, nationality, sex, or anything else I wanted as the criterion by which I would consider applicants. As long as I had no ties to the political process, the justification for interfering with my practice would simply not exist—with due respect to all the arguments related to discrimination. Even those who defend anti-discrimination and integration legislation and court decisions usually tie their reasoning to some form of government patronage. If a school gets tax money, it must abide by various provisions of the U.S. Constitution, including due process, equal protection, etc. The Bill of Rights, from which these various provisions are usually derived, is addressed to the government, not to private institutions. Once, of course, the government takes over what should be a private, community, or professional function, the provisions applicable to it by way of the Bill of Rights and the other amendments to the US Constitution apply.

The Bakke case is just one instance, but there are thousands like it. The question in Bakke has nothing to do with whether a university as such has the right to invoke a quota system. Of course universities as such have the moral right to do so, but one would suppose that some of them would no longer be sought out by potential students, since this would indicate that the university now has other central purposes than education. There is nothing *ipso facto* wrong with trying to help the underprivileged, but there may be something unwise about changing the functions of a medical school, law school, or even dancing school to achieving that end rather than to teaching its field of speciality to the most qualified applicants.

What the Bakke case pertains to is the issue of public decisionmaking. Should someone's race, color, national heritage, or religion have a bearing on whether he or she will receive the services government should provide for its citizens? But the answer to this question depends on what services government should provide for the citizens. If it is the business of governments to establish full equality of professional expertise among the races, then government funded and operated universities should engage in determining admission on the basis of race. If not, then such universities should not invoke racial quotas.

But of course we have now reached a very difficult and ancient topic of political theory. What funciton should a government serve in a human community? It must be remembered that what is unique to government is that it may use *force* for its proper ends. The baker, the butcher, or the candlestick maker may not use force on others to achieve his proper goal, the production of his wares. But government is the sole *legitimate* user of force in a human community.

It has been thought that government's business is to keep the peace—that is, to settle disputes, to protect people's individual rights. That is the uniquely American tradition. Others have argued that governments should also serve some special goal—e.g., universal material progress, spiritual well-being, or material and spiritual equality among all citizens. Still others have claimed that governments should do whatever the majority of those within the community want them to do. Obviously this is no place to resolve the age-old controversy.

What is important, however, is to remember that whatever one wishes the government to do, one must accept that it will do so by force. That is its ultimate tool. In a case such as Bakke's, the stakes are high because those who win will not have managed to see a universal principle defended by the Court but their own special purpose given the backing of force. In other words, if Bakke wins, then those who want government-funded and operated universities to apply the criterion of standard intelligence and educational scores will have won. If Bakke loses, then those who want government-funded and operated universities to apply the criterion of (statistical) need on the part of some racial group will have won. It seems to me that for the educational institutions the former is a better idea, but it also seems to me that at times the latter may have merit. If, however, the government would disassociate itself from education, we would have both better education and more diversity in striving for various valid social goals, including helping previously neglected racial groups.

As it now stands, it is much more likely that we will have a constant war among the various groups of people with different priorities, claiming that government should serve what members of each group value most. Thus, those who are better served by insisting on intelligence and educational test scores will fight to have those applied, while those who are better served by racial quotas will fight for that. This does not mean that one or the other has greater *general* standing as regards the public interest. It means that when government has become instrumental in achieving not *the* common interest but various special interests, the decisions being made have to be disappointing to some.

Given most people's conception of the function of government, one must pity the justices of the Supreme Court. They cannot possibly render a *correct* decision.

Tibor R. Machan

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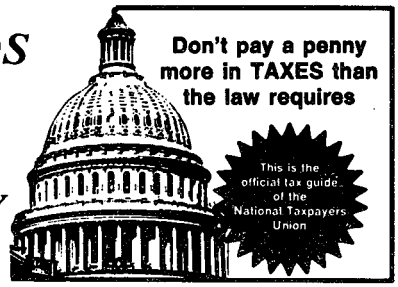

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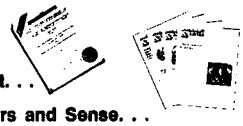

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letters

[Continued from p. 5.]

these additional points:

1) Most US foreign commitments lessen US security rather than strengthen it. Our main threat is from Soviet strategic nuclear weapons and the primary defense against them is US strategic nuclear weapons, mostly US based. Conventional US forces stationed overseas do not add anything to our security. In fact, they weaken our strategic position in two ways: they are a drain on US resources that could better be used for other purposes, and they threaten to involve the US in purely local conflicts that are no threat to US interests, as in Vietnam and Korea.

2) There is a fine libertarian principle that those who benefit from a service should be the ones who pay for it. So how can we justify asking US taxpayers to pay for the defense of Europeans and others? We've picked up the tab long enough. It's too much to expect them to pay for our defense for a while, but at least it's long past time that they started to pay their own bills. Our allies are no longer the bombed out paupers they were in the late 1940's; many are just about as wealthy as the United States. While some might argue for giving alms to the poor, it's ludicrous for us to be making charitable contributions to the rich.

3) Lately, we hear a lot about how hard it is for some US industries to meet the competition of foreign goods from Japan, Germany, and elsewhere. Their competitive advantage arises, in part, from the United States paying for their defense. The United States is rather like a businessman who, for some peculiar reason, pays some of his competitor's costs, and then gets upset because his competitor is able to undersell him. If Japan and other allies had to pay for their own defense, which would probably mean they would want to develop their own nuclear arsenal, they would have to increase taxes on their industry, which would increase its costs. Meanwhile, US defense costs would decline by the amount we save by not paying for these other nations' defense, and tax relief could be passed on to US industry. Their costs would rise, ours would decline. The competitive position of US industry would be improved and there would be no need for government interference with free trade.

Jim Stumm
Kenmore, NY

Libertarian Defense

It is slightly astounding to read Professor Rummel's inept reply to Danny Shapiro's critical letter [October]. I say this for several reasons:

First, Rummel declares the issue to be "libertarian freedoms versus absolute subjugation to the state. Diametrically opposed ideologies are confronting each other...." It can hardly be said that the American government of the past decade has been on friendly terms with libertarian freedoms...or that there are any ultimate differences between the likes of Carter and the likes of Breszhnev. It is only an issue of which will get us first: the White House or the Kremlin? Time after time in the history of this country, the government has used the issue of national security as a lever for the expansion of its own control.

Second, it is just as much nonsense for Rummel to bleed over the prospective fate of "those whose freedoms are threatened by communist aggression or subversion." It was my experience to attend a large university whose student body included many foreign students, from Taiwan, Iran, the Philippines, Vietnam, etc. The highest point of their political conscience was opposed to the brutally severe repression of their own "anti-communist" governments.

Third, Rummel's policy boils down to "War is inevitable, so let's fight it sooner when we can win, rather than later when we would lose." In other words, he has no appreciation for the fact that there are other ways to contend with the Soviets: espionage, assassination, sabotage, economic sanctions, and sophisticated propaganda. Time and time again, the Soviet dissidents have proclaimed the presence of a volatile reformatory movement in the Soviet Union, given international encouragement.

Fourth, Rummel entirely evades Shapiro's criticism of atomic weapons as weapons of mass murder—which they are, unquestionably, so long as we speak in terms of nuclear retaliative strikes. Provided we give up the development of ICBM's in favor of a highly-advanced ABM and satellite-observations system, there would be no threat involved in abolishing nuclear weapons from national armories.

Fifth, Rummel does not understand that the Soviet government is no more revolutionary in psychology than our *own*

reason's comment of the month

The letter below, by subscriber Robert Bradley, Jr. appeared in the November 8, 1977 issue of the *Houston Post.*

SLAMMING CARTER

Hidden on the fifth page of Section D, Oct. 28 was a heartwarming report ("Demagoguery" — 41 economists slam Carter in ad") of an attack on President Carter's oil industry statements by a group of 41 free market economists, led by the distinguished Murray Rothbard and Milton Friedman.

The attack was a full-page advertisement...in the Washington Post entitled "Demagoguery at the White House."

Full page ads like this (Rothbard led one in 1971 attacking Nixon's wage and price controls) serve the needed purpose of throwing sand in the faces of presidents and their "economists" who expand their power by unifying their rebelling subjects against a scapegoat. In 1971 it was the "inflationary consumer." In 1977 it is the oil industry.

President Carter attacked the oil companies for being self-interested and after maximum profits. But little does he realize that the bureaucrat (such as himself) is also self-interested and welcomes **BIG** profits in power, influence, prestige, and monetary benefits. Yet while private firms such as oil try to cut costs to obtain profits, the state simply taxes and pushes. It is the latter that must be exposed for declaring wars and becoming "war profiteers," as it has done through history.

Robert Bradley, Jr.

REASON subscribers are encouraged to write letters to the editor of their favorite newspaper, magazine, or journal, and to submit replies to TV and radio editorials, presenting libertarian views on topics of current interest. Each month the editors of REASON select the most notable published letter or broadcasted reply for republication in this space, and honor the writer by a six-month extension of his or her REASON subscription. Send copies of your published letters or broadcasted replies to Reason Comment of the Month, Box 40105, Santa Barbara, CA 93103.

government. The Soviets are realists who do not believe in leaving anything to chance—and who are slightly paranoid about foreign invaders, given their history. They are perfectly willing to wait however long it takes for the US government to drop into their hands like a ripe plum, hastening the process by an occasional display of fangs and claws. We may need to tangle with them, but the most likely prospect is in the course of a terribly severe conventional war. Imminent nuclear destruction is too insane a policy for the Soviets to follow, even.

And, as Mark Tier points out, the most effective strategy of all would be for a liberated United States to align the world economy with *laissez-faire*. With the economic strength of freedom, any people will have greater industrial and moral strength to defend themselves. This point Rummel relegates to a side issue.

In fairness to Rummel, libertarians should have no illusions about the very serious need to keep our powder dry, as it were. Peace is best guarded by those who can win the swiftest fight. Unfortunately, we can never be secure from the threat of tyranny, unless we are first secure in our own lands and people.

Mike Dunn
Carpinteria, CA

Poor Taste?

There has been considerable negative comment among the rank and file regarding your ad in the November issue for *NLW* featuring the nude of Wendy McElroy.

Many seemed to think it was in poor taste. But I don't suppose you were promoting cannibalism.

One person thought it was profoundly sexist. I don't know. Given the dead look in her eyes, I would say you've done a "reasonable" job of stimulating the necrophiliacs.

And while the advertising revenues must have been welcome, in the not-too-distant future, I'll wager that your business acumen will prove to be as lacking as your ability to establish standards and maintain intellectual integrity in philosophical and political areas.

Penny Parks
Norwalk, CA

Mass-Media Sexism

Allow me to take this opportunity to add an outraged male voice to the feminist protests you have no doubt received as a result of the *New Libertarian Weekly* ad.

In a magazine which purports to uphold the ideals of human freedom and dignity which are the foundation of the libertarian movement, it seems totally inappropriate to find such a blatant example of mass-media sexism. I think highly enough of REASON to write this one off to grossly poor judgment. As for New Libertarian Enterprises, I feel a formal retraction/apology for their ad is in order.

Ronald Paris
San Jose, CA

Correction, Please

An error was made in typesetting my review, "Marxism Uber Alles (November). On page 35, left side, it reads: "My answer is that if one believes that change does not mean progress, one does not have a moral guise for the hatred and aggression that have been channeled against existing society that results from a secularized morality." I had said: "My answer is that if one believes that change does not mean progress, one does not have a moral guise for the hatred and aggression that have been channeled

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Coming Next Month:

Next month's REASON takes a searching look at the relationship between industrial civilization and the preservation of the environment. Consulting engineer James Dunn reaches some (to many people) surprising conclusions on this issue. Engineer Jack Solomon then digs beneath the auto-safety rhetoric for a scathing look at NHTSA's "billion-dollar bumpers." Senior editor Tibor Machan takes up the popular issue of deregulation, and asks whether its proponents aren't leaving out the most important argument—the moral one. Alan Reynolds takes a look at who really gets what in the American economy, and Eric Way provides a satirical account of what the Federal Reserve actually does, and why. Also in the March issue, John Hospers reviews *The Capitalist Reader,* Susan Love Brown reviews Lysander Spooner's *The Unconstitutionality of Slavery*, and our correspondent from Denmark checks in with a report on the latest doings in socialist Scandinavia.

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against existing society since the Enlightenment. On the other hand, if one believes progress results from change, there is a legitimate outlet for the natural aggression against existing society that results from a secularized morality."

Thanks for bringing this correction to the attention of your readers.

Craig Roberts
Washington, DC

Love of Liberty

In the July issue of *Libertarian Forum,* Murray Rothbard has let forth with a ringing pronouncement that the "key question" of the day is whether or not one hates the State.

Those libertarians whose writings do not seethe with anti-Statist rhetoric are belittled as "amoralist utilitarians" and "plonky conservatives," while such quasi-libertarians as Mike Royko and Nicholas Von Hoffman are lauded for their "pervasive hatred of the State, of all politicians, bureaucrats, and their clients."

I understand what Murray is trying to say. It is that the degree of passion one shows in one's commitment to "the cause" is more important than which side of an ideological hairline one cleaves to.

So far, so good. It is not surprising that Murray should take the side of the ravers—and I mean this with no disrespect, being one myself a fair portion of the time—but I feel that several of his contentions are misplaced.

More specifically, I will submit that the touchstone which distinguishes the True Brethren (and Sistren) from the amoralists and plonks is not hatred of the State, but love of liberty. And this is not as trivial a difference as it might seem.

In a way, it seems odd that I should have to point this out. Our "movement," after all, is identified—by us and by others—as *Libertarian* (pro-liberty), and not simply as *anti-State*. The reason for this is that there are lots of anti-Statists in the world (e.g. Royko, Von Hoffman, *et. al.*) and not all of them share our goals—even in a general sense.

The communists, when they are out of power, are self-proclaimed anti-statists; they will rant as passionately as any libertarian about causing the State to "wither away." But that doesn't mean that they are our philosophical soulmates. The same point can be made about leaders of religious sects in communist-ruled countries, certain black militants, and a whole panoply of bomb-throwers and hijackers. All may use anti-

[*Continued on p. 49.*]

trends

Cargo Airlines Deregulated

In a preview of hoped-for passenger airline deregulation, Congress in November removed cargo airlines from nearly all Civil Aeronautics Board regulation. Previously, any new cargo service had to be justified to the CAB—including a showing that it would not harm existing carriers. Rates were established by the CAB, not the marketplace. And small-package carriers were restricted to using planes with a maximum payload of 7500 lbs.

No longer. Existing carriers may now provide service wherever they wish without having to justify it. Rates will be set by the market. New carriers will be allowed to begin service on the same terms a year from now. And the weight restriction has been lifted. Reaction from the cargo airlines was immediate. Plucky Federal Express, jubilant over removal of the payload limit, placed orders for six large Boeing 727 cargo jets, to supplement its 32 small Falcons and allow it to add more cities. Flying Tiger Line, which has been restricted to only 10 US cities, plans to add 10 more as soon as it can obtain enough planes. It has already purchased two DC-8-61s from another carrier. Seaboard World Airlines, which has been forbidden to carry domestic freight into or out of New York, will probably now add domestic service to its transatlantic cargo flights.

Air cargo deregulation is thus demonstrating the benefits of getting the government out of the field. Hopefully, the lesson will not be lost on Congress as it considers passenger airline (and trucking) deregulation later this year.

SOURCES:
- "Deregulation Arrives for Cargo Flights," *Business Week*, November 21, 1977, p. 55.
- "Cargo Airlines Expand Fleets," *Aviation Week*, Nov. 14, 1977, p. 34.

Medical Freedom Upheld

California's law prohibiting physicians from using or prescribing cancer remedies other than those approved by the State has been ruled unconstitutional. In a 2-1 decision, the state Court of Appeal overturned the conviction of Dr. James R. Privitera and four others who had been convicted of conspiracy to sell Laetrile.

The judgment, written by Judge Roy C. Fitzgerald, goes to the heart of the matter. "The issue here is human liberty," stated Judge Fitzgerald's opinion. "Can the informed cancer-ridden patient be limited in choice of treatment received from a state-licensed physician to 'state-sanctioned alternatives'?" Carefully reviewing prior federal and state cases, Fitzgerald agreed with both of Privitera's contentions: the right of privacy of the patient to choose or reject his or her own treatment and the doctor's independent right to practice medicine without unreasonable government interference.

The former claim is relatively straightforward and based on ample precedents. The latter is less well established, but has been given a substantial boost by the court's decision. "To require prior state approval before advising-prescribing-administering a new treatment modality for an informed consenting patient is to suppress innovation by the person best qualified to make medical progress. The treating doctor, the clinician, is at the cutting edge of medical knowledge," states the decision. Further, "to require the doctor to use only 'state-sanctioned'

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methods of treatment...is to invite a repetition in California of the Soviet experience with 'Lysenkoism.'" Such a requirement "raises the specter of medical stagnation at best, statism, paternalistic Big Brother at worst. It is by alternatives to orthodoxy that medical progress has been made. A free, progressive society has an enormous stake in recognizing and protecting this right of the physician." To buttress this point, Fitzgerald then cited extensively Sam Peltzman's studies of the harmful effects of the Food and Drug Administration's 1962 "efficacy requirements" on the introduction of new life-saving drugs.

Summing up, the landmark decision finds "there is no compelling reason shown to override the patient's or the doctor's fundamental right of choice." Denial to cancer patients of "medical treatment, albeit unorthodox, albeit unapproved by a state agency, must surely take on a Kafkaesque, a nightmare quality. No demonstrated public danger...warrants an Orwellian intrusion into the most private of zones of privacy."

SOURCES:
•"People of the State of California v. James Robert Privitera, et. al.," Court of Appeal, Fourth Appellate District, Div. 1, Nov. 10, 1977.
•"Doctor Hails Upset of Laetrile Conviction," *Los Angeles Times*, Nov. 12, 1977.

Licensing Harms the Poor

Occupational licensing is finally becoming seen for what it really is: a device by which a group of producers uses the State to restrict competition and secure higher prices for themselves. That conclusion is being reached in an increasing number of studies, many of which are coming into public view. And the newest of these studies show specifically how licensing frequently harms the poor—the very peple generally thought to be most in need of "protection" via licensing.

Robert Gaston and Sidney Carroll of the University of Tennessee's Economics Department have studied the licensing of 31 occupations, making cross-state comparisons. Generally licensing produces a "Cadillac effect," leading to high-quality services—for those with high enough incomes to afford them. But people on low incomes cannot afford the high-priced services so they must either do without, do it themselves, or rely on low-priced unlicensed "quacks." Studying data from all 50 states, the economists found that in states with stricter licensing, people do their own plumbing and wiring far more often. As a result, death rates from accidental electrocution are much higher—up to 10 times—in states with strict licensing.

In some cases licensing reduces the quality of service across the board. Gaston and Carroll found that stricter licensing of real estate brokers restricts the quantity and lowers the quality of service available to buyers and sellers of homes. Houses stay on the market significantly longer in states with stricter broker licensing requirements.

Licensing also discriminates against minorities and the poor who want to enter the licensed occupations. Stuart Dorsey of Western Illinois University has shown that in Illinois and Missouri these groups fail licensing exams for barbering and cosmetology more often than whites, because they tend to have poorer educations. These states require *written* as well as practical exams for those seeking to be barbers or cosmetologists. This penalizes minorities who are well qualified by experience but hampered by limited written skills.

Even medical licensing can harm consumers. Although one recent state comparison (done for HEW) shows no correlation between licensing stringency and dental care prices, another study reaches the opposite conclusion. Laurence Shepard of the University of California at Davis finds that state licensing inhibits dentists from moving from state to state, due to differing, idiosyncratic state requirements. The resulting inefficient distribution of dentists has caused dental fees to be 15 percent higher than if dentists could move freely among the states.

Studies such as these are leading to new attacks on licensing laws. Federal agencies, especially the Federal Trade Commission and the Antitrust Division of the Justice Department, are conducting investigations and taking state boards to court. Some state agencies are doing likewise. One by one these restrictions on the free market are being picked off.

SOURCE:
•"How Licensing Hurts Consumers," *Business Week*, Nov. 28, 1977, p. 127.

Insulated from the Market

Once again the free market has shown itself far more responsive to human needs than the politicians. As part of the administration's "energy plan," Congress has been debating a tax credit of up to $400 for homeowners who add insulation to their homes. The idea is that government knows better than individuals that investing in insulation is a wise energy-saving measure, so it must tinker with the economy to induce more people to do so.

In the real world, however, people are way ahead of politicians. They have been buying insulation at such a rate—without tax credits or any other government inducement—that manufacturers are having to allocate (i.e. ration) supplies to dealers. The Maryland Home Builders Association reports that demand for insulation has quadrupled in the past year. Some 90 percent of new homes are now being built with fiberglass insulation.

Consequently the National Association of Home Builders has asked Congress to delay the introduction of the tax credit, to let supply catch up with demand. Better still, they should just ask Congress to take a long vacation—and let the free market solve our energy problems.

SOURCE:
•"Builders Urge Postponing of Insulation Tax Credit," *Los Angeles Times*, Nov. 20, 1977.

Radio Deregulation

The chairman of the House Communications Subcommittee has endorsed deregulation of radio broadcasting. Rep. Lionel Van Deerlin is head of the committee charged with rewriting the Federal Communications Act of 1934. He expressed his views at the annual convention of the National Association of Broadcasters.

Pointing out that the typical large city has 40 radio frequencies, Van Deerlin said, "Radio is so fragmented that there is a little piece of the action for every listener." Laws of supply and demand could be relied on to determine how many stations would broadcast rock, country, soul, and news, he said. Under deregulation, as Van Deerlin sees it, the government would still determine radio frequency allocations and power levels, to prevent interference, "but not whether a station fairly dealt with an issue. We don't need seven people in Washington to watch over something like that."

Deregulation would especially benefit small station owners, who would no longer have to spend large amounts of executive time and talent on license applications every three years. "That time and talent could be spent on improving the product," he said. And how did station owners react to the prospect of deregulation? "They loved it," reports Van Deerlin.

SOURCE:
•"Decontrol of Radio Is Urged," *San Diego Union*, Nov. 13, 1977.

Abolishing Agencies

Many people were rightly skeptical of the concept of sunset laws—statutes pro-

viding for the automatic abolition of government agencies and programs after a given time period, unless specifically reauthorized. The strong vested interest of the bureaucrats in preserving their jobs, and of protected industries in preserving their protectors, were seen as overwhelming obstacles to the success of such efforts. Now, however, the first evidence that such laws can be made to work is beginning to trickle in.

The big news comes from Colorado, where the nation's first sunset law was passed in 1976. (Since then 22 other states have followed suit, though most of their laws have not yet gone into effect.) Colorado's law covers only the state's regulatory agencies (which make up about a third of all executive units) and provides that one-third of these 41 agencies be reviewed in public hearings every three years. The first such review, of 13 agencies, was held last summer—and resulted in the abolition of four of them: the State Athletic Commission, the Board of Shorthand Reporters, the Board of Mortuary Science, and the Board of Registration for Professional Sanitarians. Although agency personnel protested bitterly, the legislature stuck to its guns.

Although no comparable sunset law has yet been passed at the federal level (despite several attempts), the Carter administration has taken some action on its own. In August Carter announced the abolition of 176 more federal advisory panels, including such relics as the Board of Tea Experts and the Advisory Board on Cholera Eradication. The Carter action brought to 480 the number of advisory boards abolished by executive action this year, at an estimated saving of $15 million per year. But 709 others remain in existence. There's a long way to go before regulatory reform window-dressing gives way to substance.

SOURCES:
- "Colorado's Prototype Sunset Law Called a Success," *Wall Street Journal*, Aug. 24, 1977.
- "Abolishment of 176 US Advisory Boards Ordered," AP (Washington), Aug. 25, 1977.

Milestones

•*Freedom for TV Ads.* Broadcasters are not required to apply the Fairness Doctrine to TV ads when no controversial public issues are involved. So ruled the US Court of Appeals in Washington. Groups such as the Committee for Open Media had sought to require the FCC to force broadcasters to require equal time for opponents of commercials for breakfast cereals, feminine hygiene sprays, and other products they don't like. No way, said the court. (Source: AP (Washington), Nov. 14, 1977.)

•*Decriminalize Pot.* "We believe the time has come to liberalize laws regarding the possession of marijuana for personal use." So stated the presidents of the American Medical Association and the American Bar Association in a joint appeal to Congress and the state legislatures. The two organizations have gone on record in favor of removing criminal penalities for marijuana possession and use. The Senate Judiciary Committee recently approved a revision of federal law that would eliminate arrest records and jail sentences for marijuana use and limit fines to a maximum of $100. (Source: UPI (Chicago), Nov. 14, 1977.)

• *Billion-Dollar Paperwork.* Reforming federal requirements for paperwork could save up to $10 billion per year. So concluded the Commission on Federal Paperwork in its final report. Congress continually creates new programs and new reporting requirements, without really considering the need for the information, simpler ways to meet the need, or the costs imposed by so much reporting. Although proposing reforms to save only $10 billion, the commission estimated that up to $25 billion of the total $100 billion burden of federal paperwork could be eliminated, without impairing the government's ability to function effectively. (Source: *Washington Post*, Sept. 10, 1977.)

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brickbats

☐**Mashpee, Massachusetts, stands to lose** 11,000 acres of land to the Wampanoag Indian tribe. At least the Wampanoag say they're a tribe. They meet four of the requirements: they have Indian ancestors, "internal politics," a chief, and a medicine man (John Peters, a general contractor and fuel-oil distributor). But to qualify as a legal tribe and win their suit against the town of Mashpee they must prove they are "united under some form of government," the mark of all civilized men. The attorney for the town says they aren't, observing that the Wampanoag chief couldn't keep his fellow Indians from selling beer at their powwow (such anarchy!) and that the Wampanoag have, among other things, "no power of taxation." Obviously savages—and as we go to press the citizens of Mashpee will probably get to treat the Indians much as their ancestors did. Incidentally, Leonard Liggio has argued that the English learned how to oppress the Indians by oppressing the Irish; who, according to Joseph Peden, didn't have any government either.

☐**As all but the most concrete-bound whim-worshipping second-handers and muscle mystics** know, February 2nd is Ayn Rand's birthday. According to tradition, if a groundhog can see his shadow on that day the TV stations will carry six more weeks of non-Romantic programs. More seriously, one "Joseph Wilkes," in the *Washington Monthly* (October 1977), harks back to pre-Randian days to claim that "the words 'draft' and 'altruism' may look strange when juxtaposed, but a fair system of compulsory military service, like that of most Western European nations, would demonstrate our belief that someone besides the poor has an obligation to serve." "Joseph Wilkes," says the magazine, "is a pseudonym." Probably for Wesley Mouch.

☐**Having previously roasted various clods** who oppose the Panama Canal treaty, fairness demands that I tell you about the Reverend J. Bazell Mull of Knoxville, Tennessee. Carter has enlisted the Reverend to argue for the treaty on his radio show, in between records like "I Went To an Old Camp Meeting With The Devil (But I Went Home With The Lord)." Mull is also a theologian of note, as evidenced by his conclusion that Jesus Christ was a Democrat because he rode a donkey into Jerusalem. "If he had been a Republican," argues Mull, "he would have ridden an elephant."

☐**Tote Dat Bilge:** "Without some kind of Affirmative Action program, we might as well go back to before the Brown decision of 1954 [which desegregated the schools] or even back to slavery," says Edward N. Everett, Washington, DC regional director of the Black American Law Students Association.

☐**And according to the Knight news service,** the US Supreme Court will soon rule on that burning issue: "When people flush their toilets in one state and the product winds up in another, is that interstate commerce?"

☐**If I were a sexist,** I would mention that the *New Scientist* (September 22, 1977) reports that autopsies done at London Hospital show that the average man's brain weight increased from 1372 grams in 1860 to 1424 grams in 1940, while during the same period the average woman's brain weight increased only slightly, from 1242 to 1265 grams, but of course I won't mention it, because I'm not a sexist. Remember that please.

☐**San Francisco Chronicle** columnist Herb Caen gives us what are purported to be the emergency exit instructions on a Soviet-built Polish airliner, so help us: "1) Pull handle. 2) Remove hatch by pulling. 3) Take escape rope from hatrack. 4) Fasten rope to exit frame. 5) Throw free end of rope through exit." And "so much," Caen adds, "for advanced Soviet technology." (November 20, 1977.)

☐**One of the Mad Bomber's chief excuses** for prolonging the Vietnamese War was the need to rescue those Americans rotting in the dungeons of Hanoi. (Of course, Tricky's "peace with honor" crap was the main reason they were in those dungeons in the first place, but that's another story.) Well the Center for Prisoner of War Studies in San Diego examined 78 Navy pilots who were POWs and found they were actually healthier than their unrotted comrades. Indeed, *New Times* (October 28, 1977) says the Center "found 'significant' differences in physical well-being" between the two groups, "with the POWs coming off better in every aspect." Would a stay in the Hanoi Hilton help in the treatment of, say, phlebitis? Perhaps the Center could make the obvious experiment.

☐**Here's an avatar of "free enterprise"** we could do without; Pat Buckman, a Los Angeles private detective who makes big bucks tracking down "stolen" children. "Stolen" doesn't mean kidnapped; Buckman specializes in taking a child from his own parent—if the parent doesn't have legal custody, as in divorce cases and the like—and never mind whom the child wants to live with. In fact, Buckman explains away his occassional failures by saying "Sometimes recovery was blocked by the child itself—depending on its age and size and how much it had been brainwashed by the parent who stole it." Get that "brainwashed." In the Moonie case, a court held that a child (even an adult) who doesn't agree with his parents is "brainwashed"; now Buckman uses the term to describe a child (or adult?) who doesn't agree with his State-approved parent; how long before the State defines as "brainwashed" anyone who doesn't agree with... the State?

☐**What You Never Got To See Dept.,** or yr hmbl srvnt cleans out his notebook....I never told you about Earl Butz's suggestion that Carter make AFL-CIO boss George Meany a cardinal: "Then he'd only have to kiss his ring." Nor about the "leftward drift" of the National Rifle Association, as perceived by *Human Events*....Peter Camejo of the Socialist Workers Party told the *Progressive,* "Ask your economics professor how the newspaper photographers all over this country know which parties to go to, if there is no ruling class." The *Progressive* (January 1977) also estimated that the Libertarian Party spent about $1 million on political campaigning in 1976....And Dr. Walter Block's controversial *Defending the Undefendable,* which REASON reviewer Sharon Presley called "a positive menace to the libertarian movement," may be ordered from Laissez Faire Books (206 Mercer St., New York, NY 10012; S. Presley, [until very recently], Prop.) Presley reviles Block, and his defender Murray Rothbard, as benighted adherents of "economism"; the belief in the primacy of economic motives. Which is rather droll, because whatever Block and Rothbard's other failings, I doubt very much that *they* would "menace" the libertarian movement to make a buck.

Bill Birmingham

WHAT HAS GOVERNMENT DONE FOR YOU LATELY?

- ☐ Banned saccharin and regulated vitamins
- ☐ Created oil and natural gas shortages via price controls
- ☐ Raised air fares by CAB stifling of competition
- ☐ Required TRIS to be added to pajamas—then banned it
- ☐ Forced your children into a busing program
- ☐ Harassed your business with endless OSHA regulations
- ☐ Continually increased Social Security taxes—for a bankrupt system.

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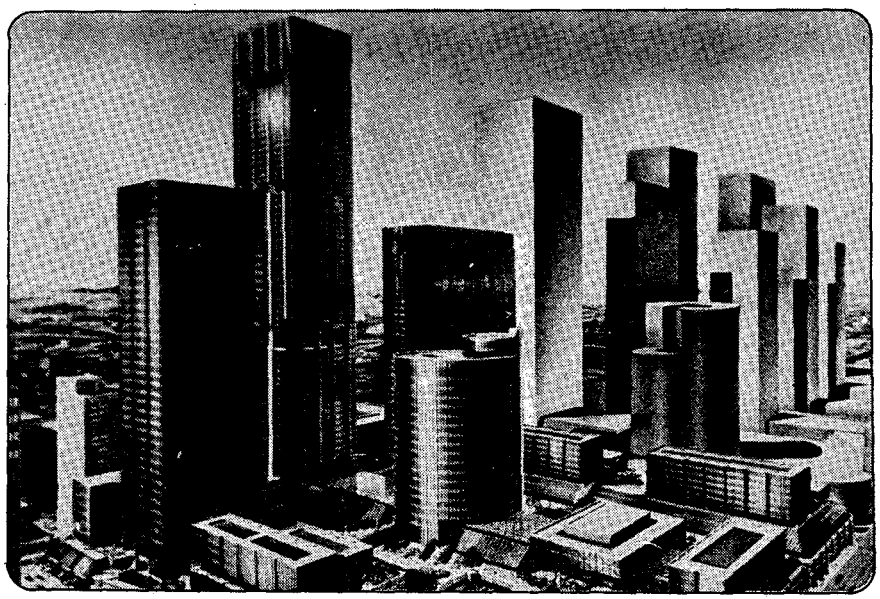
Houston Defies the Planners...



photos by Dick Bjornseth

...and Thrives

Development gone berserk? Boiler-factories next door? No. Houston's refusal to zone has brought economic vitality.

BY DICK BJORNSETH

A CITY OF NEARLY TWO MILLION people that doesn't have *zoning*, has *never* had zoning? Traditional urban-planning beliefs would lead us to expect an uncivilized, dirty, chaotic mess. Houston, however, is quite the contrary. The nation's fifth-largest city is attracting new residents at the rate of 1,000 per week. It's become the corporate and finanacial capital of the South, and many people, particularly those from the corporate headquarters relocating there, say that Houston is the most livable and exciting city in the United States.

Why isn't Houston one huge disaster area? What factors determine land use in an unzoned city?

PRIVATE PLANNING

The first and primary factor is the private marketplace. Contrary to popular impression, the marketplace is not chaotic. In fact, the evidence is that it produces a very orderly, structured, and predictable land use pattern. Different land uses in Houston, as in other cities, have different inherent locational requirements. The director of Houston City Planning, Roscoe Jones, once pointed out that he had a hard time understanding why so many non-Houstonians supported zoning, raising the bogey that they didn't want a gas station moving in next door. Because, as he pointed out,

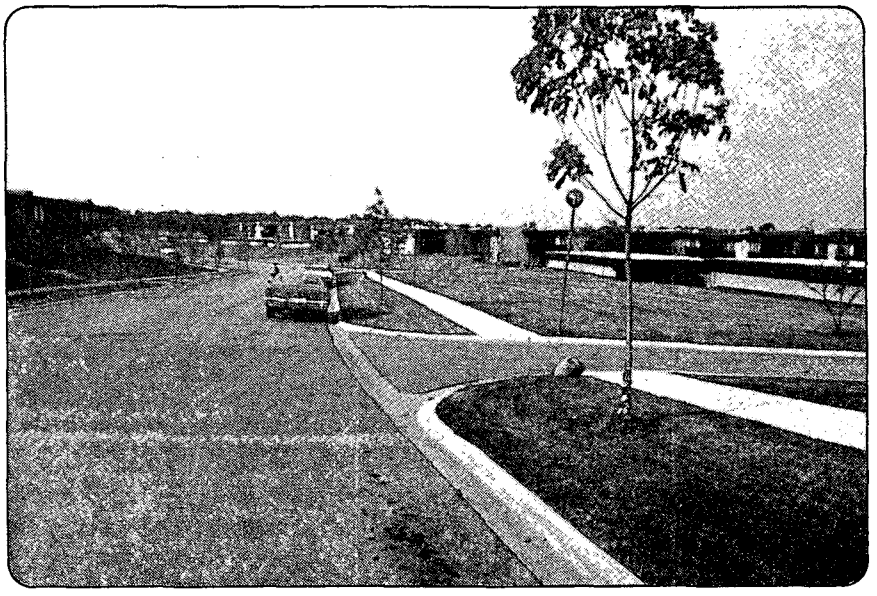
gas stations have very specific locational requirements; they must be on major thoroughfares, preferably at an intersection of two or more major thoroughfares. They'll pay 10 or 15 times the value of other properties just to get that location. Even if you were to *give* them property in the middle of a residential area, they wouldn't locate there.

Similar types of locational requirements are found with commercial retail stores, again preferring to be on a major thoroughfare. Industrial facilities have their own locational requirements—generally, larger tracts of land at lower or medium cost, frequently with rail access. And single-family and multifamily dwellings thrive in specific locations—in many cases based on the value of the property, but generally avoiding the highway frontage that commercial users tend to seek out.

So overall, the marketplace does present orderly and predictable land use patterns. Perhaps, as Denver developer Warren Bailey has pointed out, the land use appearance of Houston is not so different from that of many other cities. Part of the reason may be that zoning in other cities has been so ineffectual that it has not been able to alter very much at all the natural locational requirements. Regardless, the fact is that lack of zoning does not permit chaos or somehow make Houston a less desirable place to live.

A second factor that determines land use in Houston is deed restrictions. These are private stipulations put into the deeds, commonly referred to as restrictive covenants. Houston probably has the most extensive use of these covenants in the nation—there are between 7,000 and 8,000 subdivisions in Houston covered by them. Basically, a deed restriction is a kind of insurance policy on land use. It's a private contract, generally between the original developer and the people who purchase the property, that states the specific details of what that person can do with his land. They generally apply for 25 or 30 years but are renewable at the end of that period. Some of the restrictions are renewed, and some aren't. It depends on how conditions have changed over 25 or 30 years and whether or not the residents want to continue to preserve the conditions that were originally protected. Professor Bernard Siegan, in his book *Land Use without Zoning,* concluded the following about restrictive covenants: "Communities can function reasonably well and the values of homes and other real estate can be maintained and enhanced without the need to give homeowners much more protection than they are afforded by restrictive covenants."

A third type of land use influence is the city's subdivision regulations, and the street patterns and so forth that are determined by them. Houston has those, just as other cities do, and there's nothing particularly unique about them. Likewise, a fourth factor is Houston's relatively standard building codes (relating to new construction) and housing codes (relating to existing construction). The fifth type of land use determinant is the plan for major thoroughfares and freeways, which the Planning Department administers. Certainly, that has a major impact on determining the location of future growth. But again, that traditional bulwark of planning—zoning—does not exist in Houston. In fact, it's been proposed and voted down several times, the latest being in 1962.



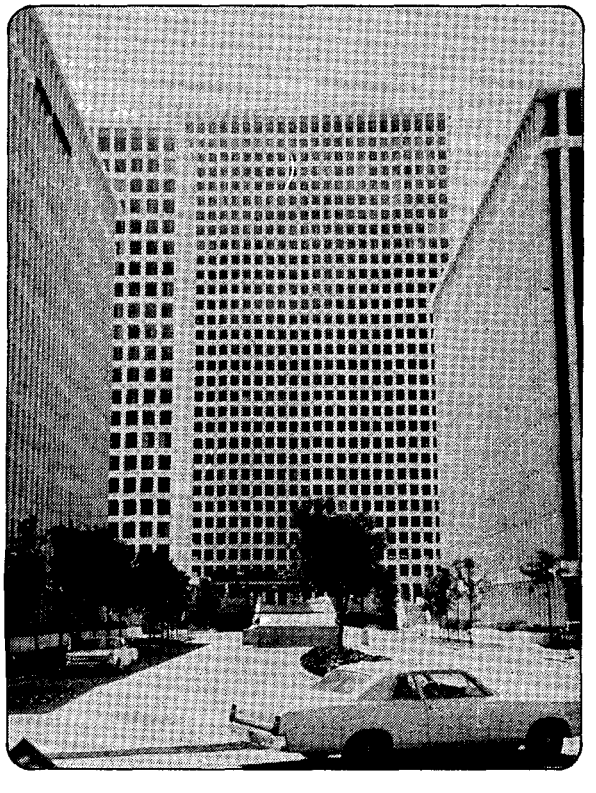
Apartment complex in Palatine, Illinois shows low density required by zoning.

REDUCING COSTS

So much for the fears of chaos. But nonzoning also has benefits. First, one of the major advantages is lower costs. A good way to reduce housing costs is to increase the supply of housing available. By its very nature, zoning tends to do just the opposite. It restricts the new land available for single-family or multifamily housing to land specifically zoned for that use. Thus, it limits the supply of housing.

Costs also tend to increase

Houston apartment complex [non-zoned].



Houston's Greenway Plaza development.

because zoning requirements (especially in the suburbs but also in the central city) generally try to force residential development at a low density. Large lot requirements are common in the suburbs, and when a developer comes in, local planners in 9 cases out of 10 try to get him to increase his lot sizes. Of course, that's going to increase the cost of that housing to the consumer. Also, while trying to keep the density of development down, zoners are helping to create the urban sprawl they so often lament.

Look at the photo on page 17 of a recently constructed apartment project in Palatine, Illinois (a suburb of Chicago). You can see the very wide open expanses, which are perhaps attractive to some, but you can also see the valuable land involved with all that open space. Needless to say, the extra costs of that vacant land end up in the rents of this sort of development. By contrast, the adjacent photo shows an apartment project in Houston also completed within the last 10 years. You can see it's much higher density—25-30 units per acre here, compared with a density in the Palatine project of perhaps 9 or 10 units per acre. As Siegan pointed out in his book, the rents in Houston (though going up like those in all other cities) are 10-20 percent lower than in a comparable city like Dallas. Siegan attributes the difference in large part to the fact that there's no zoning in Houston to limit the amount of land for apartments nor the density of development.

A second benefit of nonzoning is that it allows for greater adaptability to changing conditions. The apartment boom of the mid-1960's, which resulted from the postwar baby boom, hit most cities very hard. There were widespread apartment shortages. But not in Houston where there was an apartment *surplus* for many years because there was no zoning to limit the amount of land that could be developed for apartments, leading to a very competitive situation.

The adaptability of nonzoning is also illustrated when we look at the energy crunch of the last several years. As the cost of travel goes up, outlying areas become more attractive for office space. And again, where there is no zoning that would

tend to keep out office or commercial development, it can take place much more readily. Also, while outlying areas become more preferred for commercial uses, inlying areas simultaneously become somewhat more attractive for higher-density residential uses.

The first tendency is illustrated by Greenway Plaza—a massive office and hotel complex being developed in what was one of Houston's residential areas. Greenway represents, in effect, suburban redevelopment, bringing office facilities closer to where people live. Ask yourself how many cities with zoning have completely reorganized their zoning ordinances to reflect the increased cost of gasoline or the changing market conditions of real estate. Very few. It's extremely difficult to adapt with zoning, because it's such a massive task to modify it every time there's a change in economic conditions or energy supplies. Houston, in that sense, is very fortunate when it can adapt, as it is doing now, to these changing conditions.

COMPETITION'S BEAUTY

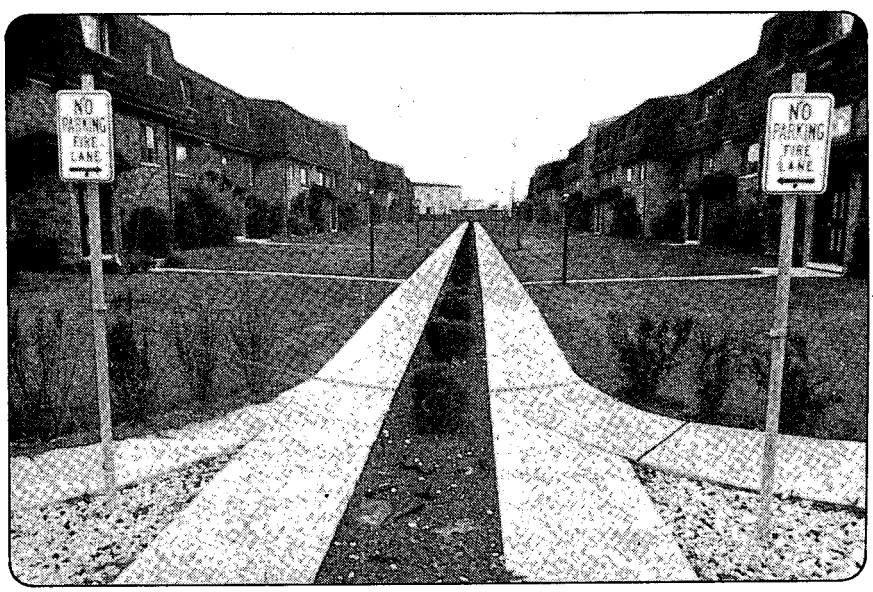
A third benefit of nonzoning—and this might seem surprising—relates to esthetics. Take a look at the adjacent photo. Is this project zoned, or not? With zoning, the developer's competition is limited to the land that is zoned for similar uses. In the case of apartments, the demand generally exceeds the supply, and the developer is able to spend the least he can, just meeting government requirements. He has minimal need to compete, meeting *market* requirements, because the market is limited — or his competition is limited. Zoning can't force developers, in spite of low-density requirements, to make anything attractive; all zoning plans can do is to confer order. (Some people refer to it as the order of a cemetery). The photo of course, *does* show a zoned community. The apartment buildings are in Mount Prospect, Illinois, a suburb of Chicago.

Marc Putnam, a Minneapolis landscape architect, makes the aesthetics case as follows: "As to the visual appearance of zoned communities, their montonous uniformity is largely attributable to uniform restrictions. Apartments show results of forced compliance with zoning regulations specifying uniform setbacks, uniform lot sizes, uniform side yard distances, height limitations, backyard requirements, etc., etc." And David Mandel recently put it this way in *Architectural Forum*: "Repealing zoning is no guarantee of architectural excellence. One thing is certain: ugly buildings will continue to be built. But architectural excellence is encouraged by freedom, not by conformity to stale committee judgement."

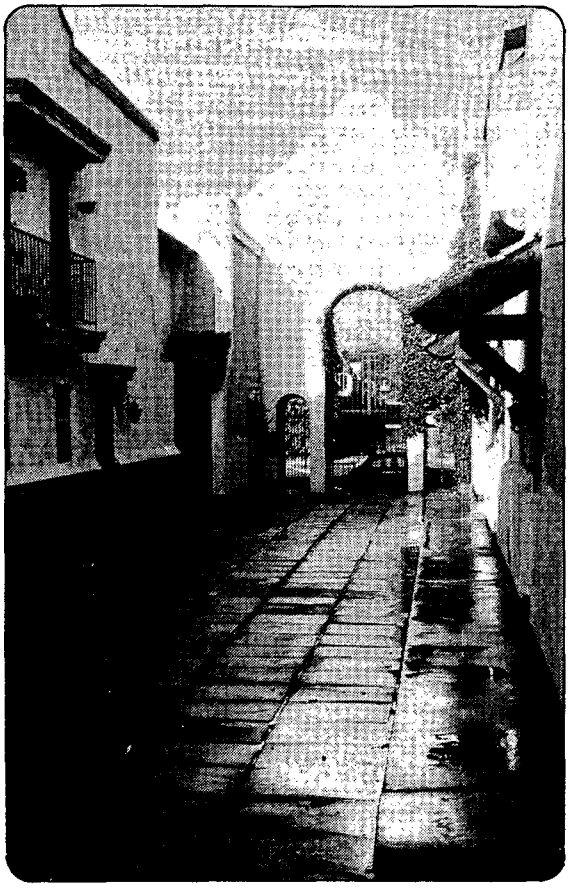
Nonzoning in Houston encourages the provision of "extras" because of the competition to attract buyers and renters. Note the suburban Houston apartments shown on page 20. It has a much higher density than you'd find allowed in most zoning ordinances. But it shows creative use of the space: the structures are arranged in an interesting fashion; landscaping is used extensively—and the rent is relatively cheap. Overall, it's much to the benefit of the renter for the developer to have the freedom to respond to the renters' needs and desires.

A fourth benefit of nonzoning lies in private renewal and self-rejuvenation of the city. Cities evolve and change; they're not constant. But zoning by its nature, tends to, or at least tries to, arrest that evolution. With self-rejuvenation, individual homes that happen to have been on a major street are converted into commercial uses as market conditions and real estate prices suggest that these homes be adapted to a different use. In contrast, neighborhoods in northern cities that might have survived are being totally obliterated by "urban renewal" and their humanity trucked away with the rubble. That's partly because zoning condemns these areas to total devastation before modification or rebuilding can occur.

It's not at all clear what zoning is



Apartment project in Mount Prospect, Illinois

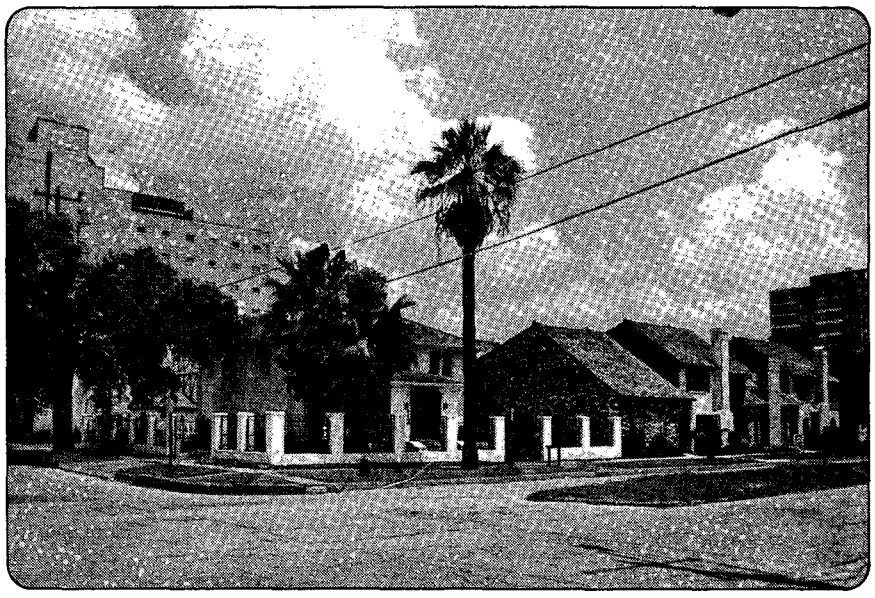


High-density apartment complex in Houston.

protecting in a decaying neighborhood. It would be nice if some zoned cities were to experiment with little islands or pockets of unzoned land in the most rundown neighborhoods. Just remove zoning from those areas and see what kind of development they attrract. The planners and city officials would no doubt be pleasantly surprised to find that the freedom of developers to build in any fashion they want would attract a certain amount of development and could start turning an entire neighborhood around.

Below are some examples of private self-rejuvenation, on Westheimer Road in the Montrose area, at the fringe of downtown Houston. Here you see some older homes that have been converted for different uses—some into restaurants, some previously single-family houses into multifamily, etc. Another photo in the same general area (p.21) shows a real mix of land uses.You can see a single-family home on the corner, probably one of the oldest structures in that neighborhood, with a row of townhouses next to it that have certainly helped improve the appearance of the neighborhood; a high-rise apartment project on the right; and an office building on the left—all these uses seemingly get-

Homes converted to commercial uses on Houston's Westheimer Road.



Mixed land uses in Houston's Montrose area.

ting along quite well together.

Another type of redevelopment is the larger-scale project, such as Greenway Plaza. In 1969, Century Development purchased three residential subdivisions in this area. On the 1962 proposed zoning map (the one that was defeated) the area in which Greenway is being built would have been restricted mostly to single-family and apartment buildings, with only a few commercial structures. One of the things that made Greenway Plaza work is the fact that the Southwest Freeway was built adjacent to this land, and the homes built prior to that time suddenly became more valuable for commercial use. Century purchased the 237 homes at market price plus 10 percent, gave the owners rent-free occupancy for five more years, and allowed each owner to remove the structure itself or salvage anything from it. What they told people was that if there were any holdouts, they would not go ahead with the project. So they didn't give people any option of trying to hold out and make any money on it, because if they did the project would not have gone through. They eventually got 100 percent acceptance—though there was one holdout who got several hundred thousand for his property.

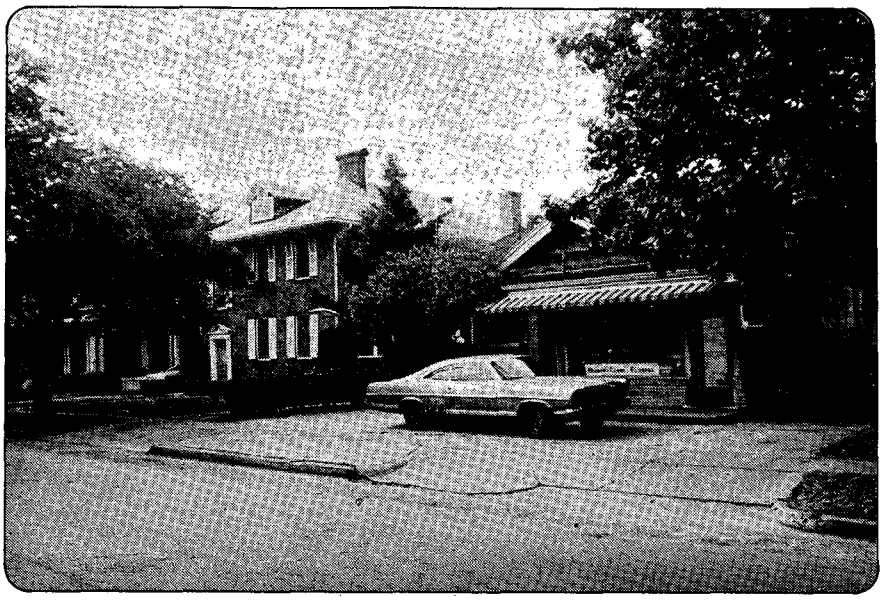
Another example of large-scale private redevelopment is Houston Center, being developed by Texas Eastern Transmission. This project (p.16) in the downtown area, is even larger than Greenway Plaza. Texas Eastern assembled 32 square blocks through a dozen front companies over a period of years. Without zoning, there was a completely open situation for the developer—assuming he could get the property. This is the largest and most costly private urban development project ever undertaken in the United States. Cooperation from the city has been good, even to permitted development over the city streets. The company is building a four-level parking area, with a pedestrian mall above all that to separate the pedestrian and vehicle traffic. They even have plans for their own private transit system. The first building has been completed, and the second one has just been topped out.

ZONING—WHO'S FOR IT?

A fifth advantage of nonzoning is the opportunity it presents for small businessmen. On p. 22 we can see a businessman who has a flower shop in the front room of his home. You can see that this type of situation (and there are numerous examples all over Houston) does not especially present any sort of land use conflicts. You may find a beauty shop that's mixed in with the residential areas, a home that has been converted into a retail shop, an insurance office that has been added onto a home close to downtown in an older neighborhood.

In this regard, it's interesting to look at the voting pattern in the 1962 zoning referendum. The strongest support for zoning came from the suburban areas, the newer-developed areas. It's rather ironic that this is the case because these areas have the strongest deed restrictions and probably had the least to fear from any sort of "incompatible" land use intruding into their neighborhoods. The strongest support for *nonzoning* came from the minority and low-income neighborhoods. These people realized that if they had zoning it might limit some of their small-business opportunities; it might keep them from taking advantage of increasing property values and converting their land later on to commercial use. Zoning was soundly defeated by the lower-income and minority neighborhoods.

The question now becomes: Has the nonzoning lesson been learned? Have zoning or public controls increased the amenities or attractiveness of cities? Most planners have probably never even asked the questions. Look at those cities that have had zoning the longest. New York, Chicago, Detroit, etc. We don't have a very good record there for zoning; it doesn't make these cities more



Flower shop in front room of Houston house.

attractive. But the sad fact is that the lesson has not been learned. Observe this passage from the Rockefeller Brothers Foundation's widely read and widely quoted book, *The Use of Land*: "If our cities and our metropolitan areas are to survive, we need to change the policy of allowing property owners to think they can do what they want with their land merely because it's theirs. Owners must come to recognize that whatever rights they have in land they happen to own are rights accorded them by society, not rights which they grudgingly permit society to abridge." In this entire publication, there's not one mention of Houston, the fifth-largest city in the United States and by far the largest city without zoning. You'd think Houston's experience would deserve at least a *footnote*!

At least we're beginning to hear some dissent. David Mandel, for example, writes in the *Architectural Forum*: "Zoning plans face the problems of the future with the full confidence that they can prevent 1938 or 1959 from ever coming back. The maps are, and have to be, drawn in the light of old technology, old resources, old problems, and old ideas. They are inherently inflexible, unable to adjust to new technology, new resources, new ideas, and new needs."

Overall, then, there are five good reasons to go with nonzoning rather than zoning. Nonzoning generally results in lower costs, especially for housing. It permits cities to adapt to change more rapidly—in particular, one can refer to the examples of the apartment boom and the energy crisis and the way Houston has been able to adapt to both. Then there is the matter of improved aesthetics—the fact that regulations and controls cannot make something attractive, but in fact quite the opposite, that the variety and innovation resulting from unrestricted private entrepreneurship are what produce improved aesthetics. Nonzoning also encourages private renewal and redevelopment, or at least eliminates one of the major obstacles to such redevelopment. Finally, nonzoning presents much more opportunity for the small businessman to get started in a small operation and also provides the opportunity for people to be closer to their stores, shops, hairdressers, and other services, because those uses can be mixed in with the residential land uses. In a zoned city, the general idea is to separate commercial from residential uses; zoning actually makes it inconvenient for people to get those services and goods.

While trying to keep the density of development down, zoners are helping to create the urban sprawl they so often lament.

Is Houston behind the rest of the country in land use controls, as most planners outside of Houston might suggest? On the contrary, it's way ahead of most of the country. While planners may be the last to admit their mistakes, they may be learning. A lot of them are starting to see the results of some of their repressive controls. They're noticing all the monotonous subdivisions and developments and are starting to suggest that zoning be modified to allow planned unit development, mixed land uses, and some other innovative things like transferable development rights. All these are steps toward more freedom—toward the Houston situation. Those planners who say that Houston needs to get in step with the rest of the country, need some sound advice: Get in step with Houston.

Formerly a city planner for Houston, Mr. Bjornseth now does private consulting in land use. He co-founded AREA — the Association for Rational Environmental Alternatives — and this article is adapted from a talk given at an AREA conference in Houston, May 1977.

Selling Protection

Just a New Twist to an Old Racket

Uncle Mario's Boys would have understood National Health Insurance.

by Stephen G. Barone

JUST THE OTHER DAY I was listening to a bluejean-clad woman of 30 years or so, proclaiming the merits and potential merits of a national health insurance plan, discoursing on how evil doctors are in general and how much more wonderful they would be if only they did not insist on getting paid. Hair flying, anatomy bouncing, and tobacco smoke fuming from mouth and nostrils, this leftover from the candle and macrame generation was a somewhat less than appealing case for counter-reasoning. I felt somewhat obligated to enter into a Socratic discourse with my newly acquired acquaintance, if not to help her arrive at truth, then at least to steer her to a decent mouthwash.

To protect the proverbial innocent, let us call her Juana; for I recently met a woman of similar years, wearing a McCarthy button, who answered to that name. (It might be worth mentioning, though, that I once knew a small spaniel answering to the name Juana, but I want to give the spaniel, at least, the benefit of the doubt. It never asked me for a thing, though it would occasionally beg for a piece of *prosciutto*; never did it demand health care for the masses, *per nulla*!)

I commenced a reasonable rebuttal: "What would happen, Juana, if some people simply did not want to suscribe to your national health plan and therefore did not want to pay into it not wanting anything from it?" Now I perceived this as a resonable question, but the results it elicited from Juana bore a striking resemblance to the before-mentioned spaniel, except its teeth were whiter and it did not seem to growl as much. Juana indicated, in so many words, that the issue is not whether they *want* it. The emphasis on *want* was such from Juana's mouth as to indicate that the idea of someone's actually self-deciding something is absolutely appalling.

The fact is, if Juana is to have her way, people are going to pay for protection, whether they want it or not. Anyone's simply refusing to pay into Juana's proposed system is no problem for her or for her plan—it is simply a matter for the IRS. For in her words, the IRS has the power and machinery to *enforce*.

At this point in our story, Juana can temporarily fade out of the picture. We owe her a favor, however, because she teaches us a valuable lesson. What that lesson is, you see, is that selling protection, whether the client wants it or not, is not an entirely new development. This is where my Uncle Mario comes in.

Uncle Mario was in the insurance business in the 1930's in New York City. One might have called him an agent; however, he was not of the ilk that one thinks of along with State Farm, or Liberty Mutual. As a matter of fact, Uncle Mario did not even have an office, as it were, although he had lots and lots of customers, most of whom owned Italian bakeries, delicatessens, fish markets, and assorted other small businesses. The secret of Uncle Mario's success was that he never *asked* people if they wanted his protection (and this was years before Dale Carnegie or assertiveness training). Instead, he just suggested to a local entrepreneur the sorts of things that could happen to his or her business if it were not "protected." This, of course, was all done with smiling faces and over free pieces of provolone with vino. After all, what's a little protection among friends?

As time went on, Uncle Mario had ample opportunity to advertise. But he did not advertise like State Farm, Liberty Mutual or Aetna does. No; a curious state of affairs existed. Uncle Mario would be absolutely delighted when some short-sighted businessman simply refused to buy protection from him. This gave Uncle Mario an opportunity to put into practice one of the oldest advertising methods of the marketplace: to simply show what advantages people *with* your product enjoy over those *without* your product. And this is what Uncle Mario did. People *without* his product would invariably have extended episodes of bad luck. Windows would, of their own accord, suddenly disintegrate; family automobiles would become curiously inflammable; and, in severe cases, store owners would die in unfortunate swimming accidents in the East River.

Uncle Mario did fine until he was merged with a lower east side operator whom we may call, for lack of a better name, *Manicotti Mutual,* though there was nothing very mutual about the merger. As a matter of fact, I have never met Uncle Mario. It is said that in 1946 he bled to death after accidently stabbing himself with his own paring knife, 12 times, in the back.

"Now," the astute reader may ask, "what has all this to do with a national health insurance plan"? Well, this is where Juana comes back into the picture.

Juan's plan to sell people protection,

[Continued on p. 29.]

REASON INTERVIEW BY THOMAS W. HAZLETT

WILLIAM E. SIMON

The political arena is nearly synonomous with irony. "Free market" presidents unleash wage and price controls, "Keynesian" administrators lob generous tax cuts to business, "liberal" politicians fight to bring back the draft, "civil rights" activists advocate government-sponsored racial quotas. Hardened Washington observers have grown so skeptical as to feel uncomfortably faint about any public issue or person until the true, paradoxical story has been surgically removed and made available for biopsy.

Paradoxical is exactly the thought for William E. Simon. Leaving a two to three million dollar a year partnership with Wall Street's Salomon Brothers, Simon joined the Nixon Administration's Treasury Department in January of 1973. It was just in time for Christmas of that year that "Simon Says" became the (in)famous cliche attached to the Arab Oil Embargo and to our government's "instructions" as to what we should do about it.

In April, 1974 the Simon plot deepened and the irony surfaced. As the new and vigorous Secretary of Treasury, "Simon Says" played a new tune. The syncopation was just as lively, but the lyrics had changed dramatically. Government was the dunce—rather than the damsel—of this ballad. Simon became the most outspoken defender of the free market within the federal government.

Bill Simon, age 50, is now something of a demigod to the Wall Street Journal *crowd. With good reason. From $75 a week a quarter century ago to his well-endowed existence today, Simon has certainly attained a rare success in both the public and private spheres. Retired from government (he announced his resignation before President Ford was defeated in 1976), Simon works as an economic consultant in New York City. He is in top demand by the foundations, current issues magazines and the public speaking circuit. Rumors of future Simon political plans abound.*

To conduct this interview, REASON *dispatched to New York Thomas W. Hazlett. An economist, author, and radio com-*

Within the first few months of the Carter administration, I sold every stock I owned, and I wouldn't buy a stock right now with <u>your</u> money.

mentator, Hazlett has followed Simon's career with interest. Their conversations took place both at Simon's New York office and his summer home in the East Hamptons.

REASON: "Simon" first became a household word in late 1973. Many of us have vivid memories of the ominous "energy czar" taking charge of the oil shortage in Washington. Our most recent memory, however, is of a ferocious fighter of big government warning the Republic of apocalypse should we fail to curb inflation and federal spending. Was there some sort of personal evolution in between these two, quite distinct, roles?

SIMON: No. Actually, while they were separate and distinct, they were very much connected. Because the very nature of the government and the direction it's been heading in for the past 40 years is one of contrived government solutions to all the problems in the United States. Energy is a prime example, and unfortunately the role that I had, as a devoted advocate of free enterprise, was one of supervising a regulatory bureaucracy, having to administer the laws passed by an irresponsible Congress, imposing the same type of solutions that brought the problem in the first place.

REASON: So you think that when you left government you had basically the same political beliefs as when you entered?

SIMON: I most certainly did. Only they had been strengthened as a result of my government experience, based on watching all the failures of government to solve our problems.

REASON: Let's go back to the Arab oil embargo of '73-'74. The United States at that time created the Federal Energy Administration (FEA) as a "temporary" agency to handle things with allocation controls, entitlements, a two-tiered oil pricing system, and the like. With the benefit of history, was the FEA a mistake?

SIMON: Yes, definitely. You're one of the few people, and you're to be congratulated, who recognize that it was proposed by President Nixon as a *temporary* agency, with a life of a year and a half, to take care of the energy crisis during the embargo—not knowing how long the embargo was going to last. One thing that that should teach us is that nothing is ever temporary in Washington and once created will just continue to grow and dominate the affairs of the citizens of this country. And that's what we're suffering from as an overgoverned society.

REASON: You came to the government shortly after President Nixon instituted wage and price controls. What was the feeling—within the bureaucracy—as to the efficacy of these controls? Did they actually believe in them?

SIMON: No, they most certainly did not. Indeed, at that point—I arrived in November of 1972 as we were moving out of Phase 2 into Phase 3—the recognition was quite prevalent then that they were doing a tremendous amount of damage to our economy, that the inevitable bulge in inflation after they were lifted, and the distortions to the allocation of the marketplace, were just horrendous.

REASON: In your estimation, how much damage did our experiences with Phases I, II, III, and IV cause to our long-term chances for minimizing inflation and unemployment?

SIMON: Well, I don't know. If those wage and price controls finally proved to the American people the fallacy of attempting to control or beat inflation by artificially bottling it up for a short period of time, then perhaps we learned something. But I'm not sure about that, because I just read that the Carter administration is talking about some sort of wage and price guidelines, which is the first step to controls, and every businessman in America knows it. Unfortunately, we don't have any statesmen in Washington willing to take the tough political steps that have to be taken to cure inflation, which will, if allowed to continue at *this* pace, destroy our society. We only have politicians who are concerned with being reelected. President Carter just continues to prove by his many actions that he has the capacity to rise above principle.

REASON: Alan Greenspan and you were wellknown, within the Ford administration, as free market ideologues. Yet we could also see that the administration was packed with individuals who were hired under Mr. Nixon's assumption that "We are all Keynesions now." How frustrating did it become, battling elements within your own administration?

SIMON: We never had any problem with that. You'll find that the Economic Policy Board, which I chaired—Alan Greenspan, Arthur Burns, Jim Lynn, Fred Dent, Bill Seidman—were all pretty dedicated—completely dedicated—to the principles of the free market as the best allocator of resources and to a reduction of the burden of government for the people. And the decisions made did not involve battling people outside of that group. The political types would make recommendations to the President, but fortunately the President didn't heed their advice most of the time.

REASON: Let me just give you an example of what I'm talking about. An interesting run-in, so-called, took place with Mr. Rockefeller during the New York City fiscal crisis. He made the statement that despite Mr. Ford's opposition, there existed a Democratic Congress and they could simply appropriate the tax monies to help a Democratic mayor and a Democratic governor. The implications of this sort of political reasoning are monstrous. Didn't they create enormous conflicts?

SIMON: No they didn't, because the president always has the ability to veto the legislation that Congress might pass to help a, quote, Democratic mayor. And I think we're all well aware

We're in a position where half the people in America work for a living and the other half vote for it.

of the success Mr. Ford had, with 85 percent of his vetoes being sustained by Congress.

That doesn't mean that we always agreed on everything. Disagreement on issues doesn't mean "dissension." All it means is that honest men can differ in their approach. You lay out your positions and president makes a decision.

REASON: Probably the greatest achievement of the Ford administration was in keeping monetary policy moderate in the '74-'75 recession, allowing the economy to rebound more gradually and more solidly. Was it harder to hold the line than you had imagined? What pressure came to bear upon you both favorably and unfavorably?

SIMON: Well, there are constant pressures. You have to understand that the basic law of economics is: More. Everybody in this society that has been lurching toward socialism and collectivism for 40 years has their hand out. And the propensity of Congress is to spend, spend, elect, elect. That hasn't changed, and it isn't going to change for a long time. But you resist those pressures. President Ford magnificently resisted those pressures at the expense of his election in November 1976. In my opinion, he could have done all the, quote, smart political things and, I think, have been reelected. But he chose to look out for the next generation rather than the next election.

REASON: During the difficult recessionary period, you advocated extended unemployment benefits and public-sector employment to cushion the pain of cutting down inflation. Don't these "remedies" exacerbate inflation and lead to their own disease?

SIMON: Well, it's not a matter of cutting down inflation. Obviously, government has a responsibility to help those people who cannot help themselves. In the severest recession in 40 years, where you had people running out of unemployment benefits, you had a responsibility to assist those people for a temporary period of time until the economy could gradually be brought back into balance again. As you said a minute ago, what we did was adopt moderate expansionary fiscal and monetary policies to promote a moderate growth that could be durable and balanced. So you help the people who are unemployed while you're experiencing the lag between policy implementation and achievement.

REASON: Of course, looking at history, it is very difficult to see where such benefits, once extended, have been revoked. Do you see some way of drawing a line to insure that the market will be restored as soon as the unemployment problem goes away?

SIMON: No. That's the unfortunate part about Washington. As I said a little while ago, it's wonderful at instituting all these programs, but they stay in place long after they should have been done away with.

REASON: Let's talk about politics. Your continued affection for President Nixon has been somewhat played up in the press. Doesn't it discredit the free market position to support politicians who implement wage and price controls, massive federal deficits, and OSHA?

SIMON: For the most part, I think you'll find that President Nixon was working toward less government for the people, that his budgetary policies were conservative. Remember the famous battle in the first year of his second term over a $250-billion budget expenditure ceiling? Everyone said it was going to be impossible, that we'd go to at least $265 billion. But we did hold at $246.7. Fine, wage and price controls were a mistake. There is no doubt about that one. But basically President Nixon's philosophy of how a country should be run—with reservations for the aberration of wage and price controls and perhaps one or two other things—was fundamentally conservative. He proposed the deregulation of natural gas, the removal of controls—all the things that President Ford went on to propose to the Congress—unfortunately, unsuccessfully. As far as presiding over massive deficits, hell, *I* presided over massive deficits. But presidents aren't dictators, and neither are secretaries of the Treasury. The president proposes and the Congress disposes, as Sam Rayburn once said. Congress is the one that passes the spending legislation. If it were up to President Nixon or President Ford or the Secretary of the Treasury, we would not have had them—that I assure you. Don't take the results of an absolutely irresponsible, socialistic Congress and blame them on the head of the executive branch.

REASON: On the subject of big government, the GOP excoriated the Democratic Party about big government in the 1968 campaign. During President Nixon's first term, however, federal spending rose 50 percent faster than it did under Kennedy-Johnson. Of course, the Congresses for all these administrations were similarly Democratic. From the standpoint of moving us toward a freer society, can the Republicans really deliver?

SIMON: They most certainly can. It's a matter of momentum. And the momentum that had built up under the federal budget—from 1962 and that famous $100-billion budget debate to all the programs of the Great Society, all the beneficiaries, the increased benefits that were voted every year by Congress—that's the kind of momentum that you inherit when you go into office. There were no new spending programs of any magnitude proposed when I was in Washington for those four-plus years. But a president isn't going to be able to do it unless we get Republican Congressmen. Unfortunately, that isn't going to happen to the degree it ought to happen in this country, because I rather believe that we're in a position where half the people in America work for a living and the other half vote for it.

REASON: Milton Friedman has raised an interesting point lately in regard to the concept of a federal deficit. He has said, basically, that the size of the deficit itself is nearly irrelevant and that it is the aggregate level of federal spending which is all-important. In other words, he would rather see a $200-billion budget with a $100-billion deficit than a balanced budget of $400 billion. What is your thinking on this?

SIMON: When you talk about freedom, which is basically what Milton is talking about there, you talk about government spending as a percentage of national income, which today is over 40 percent. That means you have to work over four months a year just to pay your taxes—state, local, and federal—before you can begin working for yourself. That's what Milton's talking about, and I agree with him 100 percent.

REASON: Extending this thought, conservatives always end up taking the "rap" for big government, trying to fill in the deficit by raising taxes, much as President Ford tried to do in his abortive WIN campaign.

SIMON: I don't agree with that. That's a myth. Let me refresh my memory on this. We were giving $5 billion—or $7 billion—in benefits and proposing a temporary surtax to pay for that benefit. It was not a fiscal measure, not a tax to try to balance the budget. It was an attempt to get the notion into some skulls in Washington that maybe we ought to think of how we're going to pay for some of the programs we legislate. I'm not for higher taxes. The Republican Party is the party of lower taxes. We're constantly proposing lower taxes. We proposed a $25-billion tax reduction for business and individuals across the board coupled with a $25-billion cut in spending. The Democrats wouldn't buy that. They're the party of higher taxes, bigger government, more government spending, more boondoggles, more inflation, more unemployment, and more suffering.

REASON: The thinking of many economists now is that the greatest economies of scale lie in the ability of very large corporations to deal with the regulatory agencies. In other

words, government regulation encourages consolidation of industry. Is this correct?

SIMON: Oh, it's correct in the sense that government regulation is so burdensome on small businesses that it destroys their profitibility and forces them to merge. When one looks at General Motors which, in 1974, had to pay $1 billion just to comply with government regulations, that's insane. I don't expect anyone to have tears for General Motors, but did you ever stop to think that that gets added to the price of your automobile?

REASON: It would not be an exaggeration to describe you as currently the foremost inflation-fighter in the country. Certain editorial writers are fond of describing your enthusiastic message in terms of "messianic zeal." Yet at the Treasury Department you worked to remove any relation between gold and our money supply. If gold isn't the answer to inflation, what is?

SIMON: Balanced fiscal and monetary policies. Gold has nothing to do with inflation in this country. It is a commodity like lead, silver, tin—although there are certain quarters here in the United States that treat it with a theological devotion that defies common sense.

REASON: Right now, the inflation statistics seemed to have cooled down pretty well to about 6 percent. Is this a stable plateau, or the lull before the storm?

SIMON: Isn't that horrible. You too think that 6 percent inflation—or 6½ or 7—is so much better than the 13 percent we experienced at the peak that it is now just fine. This society cannot tolerate this rate of inflation. No. The damage it is doing financially and to the poor, those on fixed incomes, the retired, the disabled—no, history is littered with the wreckage of societies that failed to cope with inflation. It's only those who choose to ignore history that, as Santayana said, are doomed to relive it. Unfortunately, that's the road we're traveling on.

REASON: Speaking of statistics, the economic statistics for August, September, and October 1976 were very poor. As soon as the election was over, they improved considerably and have appeared quite positive for the first few months of the Carter administration. Was this coincidence, or was this sabotage? Seriously, what are the politics of government statistics?

SIMON: There is such a single-minded focus on one or two months' economic statistics; I don't agree with you at all that the figures in late 1976 were poor. Poor by what standard? Do you think that each month the economic statistics are just going to be naturally better than they were the month before? No, they're not. We're going to have zigs and zags, but our real growth since March of 1975 has been far above the long-term level of activity that's sustainable. We're going through a very balanced and healthy expansion, and what President Carter has inherited during the early months is this balanced, healthy expansion as the result of President Ford's economic policies—nothing more. But don't worry, what he's doing right now is going to make sure we don't enjoy that terribly much longer.

REASON: In November 1974 you predicted a fall in the price of oil. With all the statistical resources of the federal government unable to tell us which way the price of oil is moving, what good are the government's predictive mechanisms?

SIMON: Well, number one, the first step toward wisdom, as Irving Kristol says, is to know that the future is unknowable. Number two, what the hell do statistical resources have to do with trying to make a prediction which is political in nature? Because that's what we have today: an oil price which is not based on financial and economic considerations but on political considerations. It's a market controlled by the OPEC nations. When I came home from the Middle East in 1974, I said the oil price would indeed fall *if* we adopted the proper policies in the United States. And if *we* did, King Faisal was going to auction oil which, at that time, would have brought the price of oil down. We did not, he did not, and the price kept going up.

REASON: You've had a view from the top. What is your thinking on Wassily Leontief's proposal for national economic planning?

SIMON: "Economic planning"—now that's a suggestion that, on the surface, would be quite appealing: "Why shouldn't we have planning?" But, you know, that's not what Leontief means. He wants to make the plans and then he wants to implement them. He wants to make the decisions, in other words, destroy the freedoms of the American people who have always made their individual decisions in our society. All they want to do is destroy the free enterprise system so they can substitute their elitist, intellectual decisions for those of the millions of Americans that have always made them. And that will take away the rest of your freedoms, when they've already taken away a good portion of them.

REASON: While you were at the Treasury Department some very "bold and imaginative" plans were circulated within the administration with regard to energy. Most interesting was Vice-President Rockefeller's plan for a $100-billion federal energy corporation, a sort of "Energy Amtrak"....

SIMON: What's bold and imaginative about that?

REASON: I was just quoting what some of the news media said.

SIMON: They would.

REASON: Well, if these ideas were seriously forwarded by a Rebublican administration, can we really be surprised by Mr. Carter's "moral equivalent of war"?

SIMON: Well, that's two different questions. Number one, just because it was proposed by a Republican administration doesn't mean that I agreed with it. I violently disagreed with it, as did Alan Greenspan and several other members of the Economic Policy Board. But, again, one doesn't expect to agree on every single issue with the president. Nor would a president—certainly not President Ford—want somebody to agree with him all the time. The President welcomed dissent—intelligent dissent.

REASON: We know that the Carter energy plan is somewhere between a mistake and the end of all things. What is the worst of the plan?

SIMON: Well, the worst of the energy plan is that it doesn't direct itself to production—at all. It totally ignores the productive dynamism of the American free enterprise system. It shows a total lack of faith in the American people, in our ability—which has been proven time and time again throughout our history—to produce our way out of crises. As far as conservation, instead of relying upon the free market price, all it does is levy upon the American people the largest tax increase in our history, on an already overburdened people. And that's going to be used for further redistribution of wealth.

We're careening down the same road that Great Britain has traveled on, and the result is going to be predictible. Financial collapse and the loss of your freedom.

REASON: President Ford, at the end of 1975, chose to abandon the advice of many of his economic consultants: deregulate the price of oil and natural gas. He came up with a so-

It would be an absolute disaster if Carter were to replace Arthur Burns; he's the last bastion of fiscal and financial sanity in that city.

called compromise bill which extended controls for years. Wouldn't this spell disaster for us even without Carter's new proposals?

SIMON: No, that was a judgment that President Ford made that he believed was the best that he might be able to get as far as deregulation of oil and gas. I disagreed; as a matter of fact, I told him I thought it was the worst mistake he made. I still believe that.

REASON: James Schlesinger, who is a well-trained economist, is now making all sorts of idiotic statements about energy. Doesn't he know better?

SIMON: Well, I certainly thought Mr. Schlesinger knew better, but obviously he doesn't. He is another example of the intellectual elitist who wishes to make all the decisions, who has no confidence—indeed, a deep-grained animosity toward business in the United Stated— and wishes to have the energy industry run by the federal government. He's proposing the very solutions that brought the problem on in the first place.

REASON: There seem to be quite a few free market proponents popping up in various nooks and crannies of the federal bureaucracy. We've seen them in the Agriculture Department, the Federal Trade Commission, even in Defense. Do these troublemakers have any effect? What is their nuisance value?

SIMON: Obviously, we left behind some converts. I don't know that I'd call them troublemakers, because I happen to believe that what they're preaching has the judgment of history on its side. As a result, all I can do is urge them to hang in there, because they're on the winning side. And for the sake of our country and my children, it's terribly important that they continue to preach those doctrines.

REASON: Are you familiar with libertarian writers such as Robert Nozick, Ayn Rand, Murray Rothbard, Ludwig von Mises, Friedrich Hayek, and Thomas Szasz?

SIMON: I most certainly am. As a matter of fact, Dr. Hayek, as well as Professor Friedman, two Nobel laureates, have written forwards to the book I just completed.

REASON: Then your opinion of at least some of these writers is very high?

SIMON: It is.

REASON: Do you have positive thoughts on the Libertarian Party, or should free market proponents work with the GOP?

SIMON: Oh no, my goodness sakes, you know we're talking about our basic freedoms and a way of life—not a political party. The Republicans, in my judgment, come closest to espousing the philosophies of freedom and free enterprise. And indeed, the Libertarians are on the same track. But I don't think that it necessarily follows that it is all done under the principles of the Republican Party.

REASON: Twenty years ago your predecessor, Secretary of the Treasury George Humphrey, predicted that if the big-government trend were not reversed we would face imminent collapse. Why has his prediction not been realized?

SIMON: We've been going through mini-collapses ever since Humphrey made that statement—going through exaggerated boom-bust cycles, with ever-increasing unemployment, ever-increasing inflation, and ever-increasing miseries for the people. If you're looking for the *grand* collapse that ultimately is going to come as a result of all these shocks, don't worry, it'll come if we just continue to follow these insane policies.

REASON: At the moment, where is our economy headed? The money supply has been rising at an annual rate of over 8 percent in the first seven months of 1977, the stock market is very shaky about Carter. Are you going short or long?

SIMON: When I left government I studied the situation very carefully in the first few months of the Carter administration. I listened to the rhetoric and then watched the contradiction of the action as opposed to the rhetoric—and I sold every stock I owned. And I wouldn't buy a stock right now with *your* money. *That* requires confidence.

REASON: What about inflation?

SIMON: I think the basic rate of inflation today is approximately 7 percent and rising.

REASON: Unemployment?

SIMON: Unemployment is going to remain a problem. Inflation is the greatest enemy of capital investment and business expansion—and *em*ployment. So, if we're going to see rising inflation, we're not going to see any gains on the unemployment front.

REASON: The balance of payments?

SIMON: The balance of payments is going to continue to be absolutely horrible. Unfortunately, the policies—most especially the energy policy—are going to make sure that it is going to go on for much longer than necessary.

REASON: The United State currently has the lowest rate of capital investment of any major industrial nation in the entire West.

SIMON: It has for the past 15 years.

REASON: What are the causes and what are the solutions?

SIMON: We've been having government policies, through the tax system and through the deficits, that promote consumption at the expense of savings and investment. It is correct that we have the lowest rate of capital investment, the lowest rate of productivity. And we wonder why our standard of living doesn't increase sufficiently to provide for greater employment. It's no secret.

REASON: How far are we behind Great Britain?

SIMON: Milton Friedman thinks we're 20 years before we'll reach the fate of Great Britain. I must admit that, while I agree with so many things that Milton has said, I think it's going to be sooner than that.

REASON: What would be the effect if Carter were to replace Arthur Burns at the Federal Reserve?

SIMON: It would be an absolute disaster. Arthur Burns is the last bastion of fiscal and financial sanity in that city.

REASON: What positive things can businessmen do to promote the free enterprise system?

SIMON: The one thing they have to start doing is to stop being hypocrites and everytime an economic storm cloud appears on the horizon run down to Washington for some protection—a tariff, a subsidy, some bit of regulation that protects them from the very competition that made this system so dynamic.

REASON: Your name is being mentioned as a likely choice for the Republican presidential nomination in 1980....

SIMON: I am not focusing any attention on Bill Simon, 1980, or Bill Simon, 1978. I'm concentrating my energies and my activity on going around the country and expressing to as many people as I can, with an emphasis on colleges and universities, my deep concerns for the direction in which my country is headed. And I don't want that to be confused—my sincere concerns—with any political desires on the part of Bill Simon, because he doesn't have any. His major concern is that his children have the same opportunities and freedoms that he enjoyed.

REASON: The intellectual climate seems to be very much better for free market advocates than at any time in a half century, yet our institutions are heading us inexorably to bankruptcy. Can we turn the tide fast enough to survive the mistakes of the welfare state?

SIMON: We will not know that until we can look back at the results. All I can say is that time is running out.

REASON: Thank you very much, and we do appreciate your time.

SIMON: It's a pleasure. ◻

Protection

[Continued from p. 23.]

whether they want it or not, bears a striking similarity to Uncle Mario's scenario, although Juana is a lot smarter and Uncle Mario was much more honest. Uncle Mario simply established a piece of action and tried to maintain it as best he could. True, he eventually lost out to a more adept bunch of crooks, Manicotti Mutual, but never did he try to deny the essence of his character—that he was a crook and a looter. Juana handles the problem of inter-looter competetion with more finesse. Juana is not small-time. She wants to align immediately with the *creme de la creme* (*or scum de la scum*) of crooks, that being the IRS. For the reader who is skeptical of this analogy, let us be somewhat more analytical.

Like Uncle Mario, Juana will implement her sort of coercion with a smiling face. Indeed, the federal government has recently acquired one of the smilingest faces in the world, or at least south of Camden, New Jersey. Also, Juana does have a service to offer. She will provide some degree of quality health care to some influential persons here and there, just as Uncle Mario would do some favors for his more productive clients. In this way, in the unlikely event the populace gets rebellious, those with power have already been brought to the side of the coercers, or at least neutralized to the point of ineffectiveness.

Juana's mode of advertising only differs from Uncle Marios's in its degree of vigor. Uncle Mario could only kill you. The IRS can starve you and, as the meanest twist of all, make *you* appear morally bankrupt at the same time! Notice, with Juana's plan there will be no need for late-night television ads with soothing voices that say, "For a small fee, we will give you and your family financial peace of mind in the event of sickness or death," like there is with private agencies such as State Farm or Aetna. No way. Instead, Juana's plan will use the Uncle Mario method, letting you know beforehand precisely what happens to people who refuse to pay into the protection system, whatever their reasons. (We already know what happens to people who refuse to pay their taxes, ultimately, so there is no reason to recount it here.)

What does it all mean? Perhaps, that there is nothing new under the sun. ◻

A native of New York, Mr. Barone works in southwestern Wisconsin but lives across the Iowa border. He has a bachelor's degree in philosophy and psychology and a master's in school psychology.

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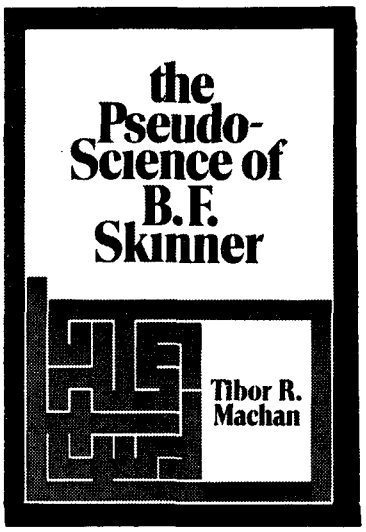

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Imperial Valley Rip-Off

BY CRAIG ROBERTS

IN THE IMPERIAL VALLEY we see an escalation of government's attack on the institution of private property, on the right to make private contractual agreements, on the right of inheritance, and on the right to retire on the accumulated wealth of one's life work. As Professor Armen Alchian of UCLA has said: "Overwhelming political power over property rights is again superseding personal freedoms, which depend on private rights to the use of property." (My defense of property rights should not be misconstrued as support for federally subsidized water.)

Over the past 75 years, hard-working families have turned a desert into a food basket. Normally, one would expect that the government would look with favor upon such productive farmers—who help it, at a lower cost to itself, feed the massive welfare rolls that government has built up through the politics of vote-buying. But no, the attack on the productive people of America by their own government now knows no bounds. No longer content with taking from one-third to one-half of their incomes under penalty of prison, government has now moved to confiscate their wealth, their capital, their ability to produce, built up over generations of hard work. The productive people—instead of consuming away their earnings—saved, invested, and built. Their punishment for not being wastrels is confiscation.

By its action, the Department of the Interior has shown that it is an enemy of the productive. Perhaps now there will be a Productive Peoples March on Washington. It is certainly a march that is overdue. Soon it will be too late. If the imperialistic bureaucrats get away with this confiscation, the word will go throughout the land that anything that is saved with which to build—anything that is not consumed—will be stolen by the government. Then the government will at last be happy. It will have the whole nation on the welfare rolls. It will have every person dependent on government handouts. That great scourge of government, a free people, will cease to exist. The United States will then have returned to the mainstream of history that is peopled by only two classes—the rulers and the ruled.

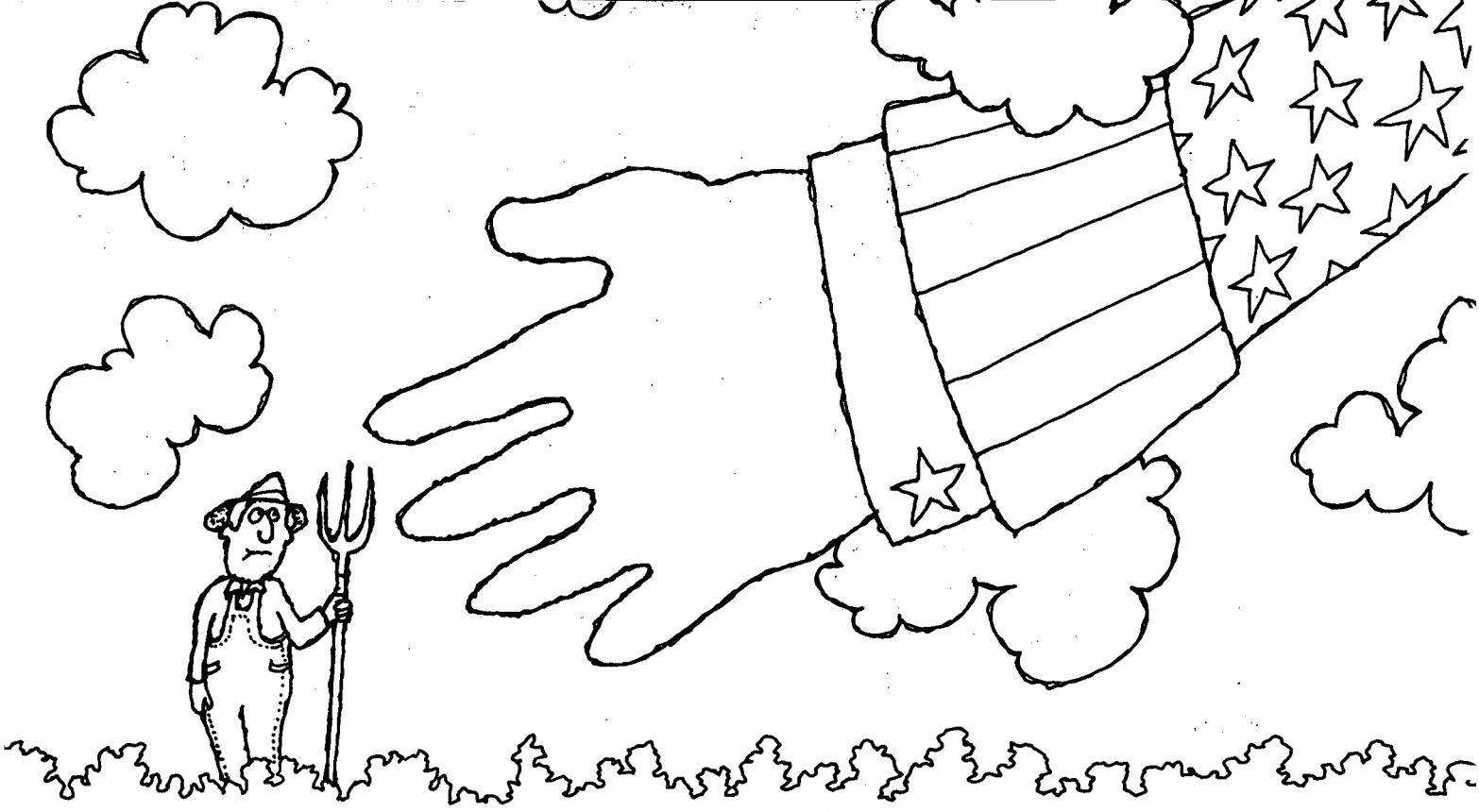
The Imperial Valley farmers are in dire need of help. They are being robbed by government in order to appease a left-wing ideology. Productive farms that not only support their owners but also provide food and agricultural products for millions of people are to be dismembered and destroyed in order to create a new class of welfare dependents—farmers who cannot support themselves, much less large numbers of

Interior's 160-Acre Rule

GOVERNMENT MOVES TO BREAK UP LARGE LAND HOLDINGS, MAKE SMALL PLOTS AVAILABLE TO LANDLESS POOR. Doesn't it sound like a newspaper headline a couple of years ago when Echeverria, the great socialist protector of the Mexican peasantry, initiated his now-famous land redistribution scheme? Well, it *could* be; but it could just as well be a current newspaper headline about the actions of the U.S. Department of the Interior under Secretary Cecil D. Andrus.

It all goes back 76 years, to the Reclamation Act of 1902, passed under the approving eye of President Teddy Roosevelt. Large parts of the West were barren desert lands, and this bill got the federal government into the farm-irrigation—and thus the dam- and canal-building—business. But the act, like many others, was couched in the rhetoric of helping the little guy; so it included two restrictions to guard against monopoly by the big guys over the land or the soon-to-be-available water. One was a small-holdings requirement: no federal water for anyone with more than 160 acres; the other, a residency requirement: no federal water for absentee landlords.

You won't find a lot of farms that are that small in the West. The law limits the size of federally irrigated farms to 160 acres per family member, includ-



other people.

This governmental attack on the productive extends beyond the farmers of the Imperial Valley. By reducing the productivity of agriculture, it means higher prices throughout the land. It strikes at the wages in the worker's paycheck. It steals the purchasing power from the widow's pension. It pinches further the opportunities of dependent children. It grabs at the purchasing power of bankers and industrialists who receive abuse for taking risks and who support the charitable and cultural foundations of our society. It benefits only the government, its class of welfare dependents, and the well-paid bureaucrats who service them.

It strikes at the depositors of the banks that have financed the mortgages on the farms. When a person's mortgaged property is confiscated, that person is bankrupted. He no longer has the capital—the land—with which to earn the income to repay the mortgage. This action by the Department of the Interior not only dispossesses the productive of their wealth; it dispossesses them also of their character, their reputation. To dispossess farmers of mortgaged land is to dispossess bank depositors. Government bureaucrats might think they are robbing the large, absentee landowner but instead be grabbing the pittance of widows and the funds saved by workers with which to give their children a college education.

But the government does not care. Government does not like widows who are independent of its handouts. It does not like hard-working people who educate their own children. To government, education is just another handout. It does not want children to be thankful toward their parents; it wants children to be thankful toward their government.

Imperial Valley is just the beginning. Government is on the move against the productive. Productive people are in its way, because they can exist independently of it. Government does not want anyone independent of it. If the American people want their independence, they will have to fight their own government for it. The American government is no longer a defender of private property and personal liberties. It is now a usurper of property and liberty. It serves only its own interests.

If America is to survive, productive people must defend their own interests. They must bring their numbers to bear on the Congress before their ranks are further thinned. ◻

Dr. Roberts, an internationally known economist, is widely published in scholarly journals both here and in Europe.

ing children. In addition, various legal technicalities make it possible to get around the restriction—for example, by large partnerships or by leasing arrangements. But critics complain that this is so only because the residency requirement largely goes unenforced, partly because a 1926 reclamation act failed to repeat the requirements, leading to the Interior Department position that it had in effect been repealed. But, a recent court ruling has cut the ground from under this position, giving Secretary Andrus, in his eyes, a clear mandate to enforce the 76-year-old law.

Not surprisingly, there have been outcries from Western landowners, some of the most vociferous from those in California's Imperial Valley. For there, even the 160-acre requirement has never been enforced. The valley is irrigated by water from the Colorado River, compliments of the Hoover Dam and the All-American Canal, built in the 1930's; and the residents get this water for free. In 1933, the Interior Department ruled that the Reclamation Act did not apply to the Imperial Valley because it referred to water *sold* by the government. And so now we have Imperial Valley protests against Andrus's declaration that the government is going to go to it, breaking up larger-than-allowed land holdings and getting back to the populist intent of the original law—small family farms, *not* "agribusiness."

—Marty Zupan

The memoirs of a famous journalist of the classical liberal tradition.

IN THE COURSE OF

BY FELIX MORLEY

THE EVENING OF JAPAN'S surrender, my wife and I sat on the terrace of our home, overlooking Washington, watching the sporadic display of fireworks which shot up in the gathering dusk from the enthusiastic metropolis below. Presently she broke our silence. "Will there be any 'Return to Normalcy' this time?" she asked.

"Impossible," I replied, somewhat sententiously. "Our children will have to confront a wholly different and chaotic world. But I suppose we'll eventually get stability on a new basis—in about 50 years I guess—say by the year 2000."

I then voiced the thought which, a few weeks later, I would print in *Human Events*. "The United States has a great role to play in the post-war world. But we shall not fill that role successfully; we shall, on the contrary, complete the disintegration of humanistic civilization, unless leaders of American thought can recapture the searching approach to political problems which we once had, and of which our Constitution is one memorial."

Felix Morley, 1950

HUMAN EVENTS' MISSION

At the close of 1945, *Human Events* was already well-established as a small but vigorous supporter of the classical liberal tradition. Launched nearly two years earlier, by Frank Hanighen and myself, it had at first addressed itself to "the absolute necessity" for "a really constructive peace." Our first issue, on February 2, 1944, featured an article by William Henry Chamberlin asserting that Stalin's designs on Poland only suggested his plans for Communist control of all Eastern Europe. On March 1, 1944, in a promotion circular signed by Chamberlin, Hanighen, and myself, we wrote: "True Liberalism will survive neither subordination to a despotic bureaucracy at home, nor entanglement in any Balance-of-Power system directed from abroad by those over whom American public opinion has no control."

Some long-range thinking, therefore, lay behind my seemingly offhand prediction that a half a century would be needed to stabilize postwar society. What I had in mind was the advent of a generation which could realize the intangible values, entirely aside from lives and property, destroyed during the war period. And by this I meant the years from 1914 through 1945.

As a Rhodes Scholar in England from 1919 to 1922, I had seen at first hand how deeply the First World War had shaken Britain's economic and social structure, undermining the Empire which then still hung precariously together. The same disorientation was apparent in France, and most of all in Germany, where the humiliation and draconic nature of the Versailles Treaty exacerbated the anguish left by the enormous human losses. Speaking the language, I then spent my vacation periods in Berlin, in Quaker relief work, and watched the imposed inflation steadily weaken the capitalist middle class. Lloyd George had promised that he would "squeeze Germany until the pips squeaked." He did not foresee that the squeak would swell into the raucous roar of Nazi defiance.

It was at this time that I first read *War and Peace* and was impressed by Tolstoi's thinking on the inability of popular leaders to control events. That Napoleon's seemingly successful drive into the heart of Russia had gained him nothing was clear in retrospect. Yet Hitler, for all the unquestioning obedience he could arouse, was later unable to grasp that simple lession. And this peculiar myopia among "great men" was widespread. In time I would see it exhibited by Chiang Kai-shek in China. Franklin Roosevelt seemingly never realized his personal responsibility for building Communism into a world force bitterly hostile to the American way of life. Winston Churchill grandiloquently proclaimed that he "did not become His Majesty's First Minister in order to preside over the liquidation of the British Empire"; yet that is what happened under his leadership.

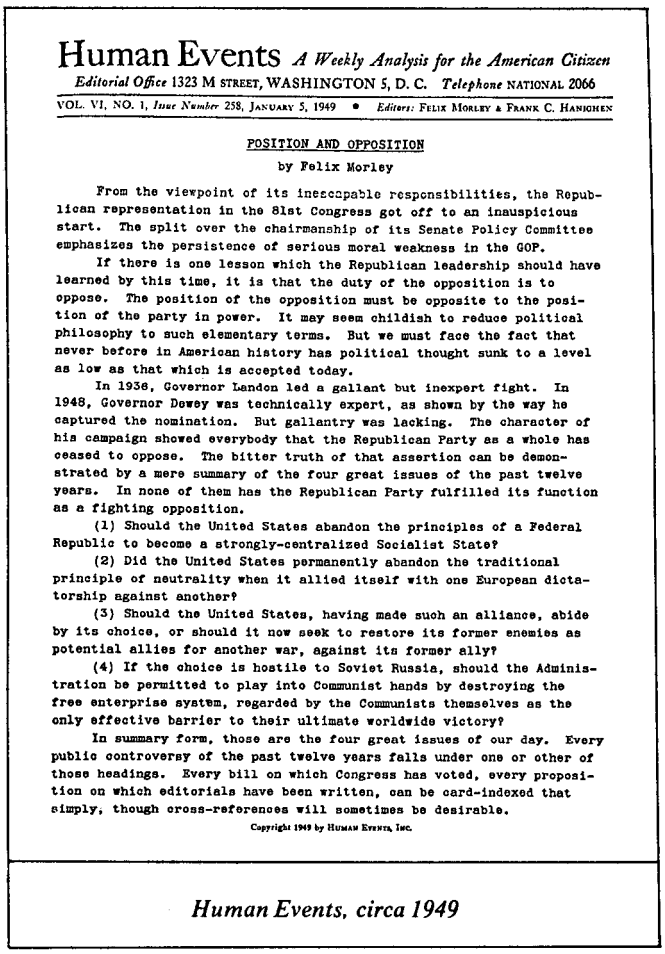
Nevertheless, new definition does emerge from major unheavals, even though its shape may bear no relation to the will of those who believe they are in control. The collapse of the Roman Empire did not destroy the heritage of Roman law nor the discipline of a Church strong enough to civilize the barbarian tribes of

"HUMAN EVENTS"

Europe. The excesses of the French Revolution encouraged reasonable nationalism and representative government, developed in the shadow of the guillotine. Something constructive might, like the phoenix, rise from the ashes spread by the contiguous wars of my lifetime. To play even a tiny part in such a resurrection was a worthy purpose.

This sense of mission in regard to *Human Events* was strengthened by a background of extensive reporting and intensive study of the forces let loose by the opening of Pandora's box. Among these, the appeal of communism, though sedulously discounted in the United States, was clearly the most menacing. While studying in England, I had noted this in free-lance articles for the *Baltimore Sun*, which led to my employment by this then-outstanding newspaper in the summer of 1922. In the winter of 1925/26 the *Sun* sent me to China, where again I was surprised to find that communism, promoted by the exactions of the Western powers, was dominant in native academic circles. In the summer of 1928 I was awarded a Guggenheim Fellowship to make a constitutional study of the League of Nations, and the *Sun* graciously permitted me to serve simultaneously as its Geneva correspondent Switzerland has long admirably exemplified Jefferson's opinion that "the government that governs least governs best." And it was also the ideal base for examining Communist penetration in the adjacent countries, together with the strong-arm Fascist, Falangist, and Nazi reactions. All too clearly, these conservative movements envisaged a "defensive" war with Russia.

What I sought to learn most precisely, during my two and a half years at Geneva, was whether the League of Nations possessed the reconstructive promise that Woodrow Wilson had seen in its Covenant and that he sacrificed his life in promoting. Except for its disastrous linkage with the Treaty of Versailles, this president's dream of a rational world order might well have been at least partially realized through the League. But the intolerable and unworkable terms of the so-called peace treaty always took precedence over the revisionary possibilities of the Covenant. And so Woodrow Wilson joined the long list of leaders who have confirmed Tolstoi's thesis that "historical characters and their commands are dependent on the events."



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POSITION AND OPPOSITION

by Felix Morley

From the viewpoint of its inescapable responsibilities, the Republican representation in the 81st Congress got off to an inauspicious start. The split over the chairmanship of its Senate Policy Committee emphasizes the persistence of serious moral weakness in the GOP.

If there is one lesson which the Republican leadership should have learned by this time, it is that the duty of the opposition is to oppose. The position of the opposition must be opposite to the position of the party in power. It may seem childish to reduce political philosophy to such elementary terms. But we must face the fact that never before in American history has political thought sunk to a level as low as that which is accepted today.

In 1936, Governor Landon led a gallant but inexpert fight. In 1948, Governor Dewey was technically expert, as shown by the way he captured the nomination. But gallantry was lacking. The character of his campaign showed everybody that the Republican Party as a whole has ceased to oppose. The bitter truth of that assertion can be demonstrated by a mere summary of the four great issues of the past twelve years. In none of them has the Republican Party fulfilled its function as a fighting opposition.

(1) Should the United States abandon the principles of a Federal Republic to become a strongly-centralized Socialist State?

(2) Did the United States permanently abandon the traditional principle of neutrality when it allied itself with one European dictatorship against another?

(3) Should the United States, having made such an alliance, abide by its choice, or should it now seek to restore its former enemies as potential allies for another war, against its former ally?

(4) If the choice is hostile to Soviet Russia, should the Administration be permitted to play into Communist hands by destroying the free enterprise system, regarded by the Communists themselves as the only effective barrier to their ultimate worldwide victory?

In summary form, those are the four great issues of our day. Every public controversy of the past twelve years falls under one or other of those headings. Every bill on which Congress has voted, every proposition on which editorials have been written, can be card-indexed that simply, though cross-references will sometimes be desirable.

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Human Events, circa 1949

ROUSSEAU IN GENEVA

Does the course of human events have any detectable meaning, or is it merely fortuitous? Geneva was an excellent forum for the discussion of such abstractions, which were embarrassing rather than stimulating for most Americans of my generation. The Secretariat of the League, small and compact by contrast with that of the United Nations, was for the most part composed of thoughtful experts from some 40 member states. This was less true of the resident newspaper corps. Once I asked the Associated Press man how he selected the news he would put on the wire. "Only what I think would interest my old father," he replied, "in his rocking-chair on the porch of the family farm in Missouri."

That was not the criterion of the correspondent of *Tass*, the official Russian news agency. His surname was Romm, and I saw much of him during his periodic visits to Geneva and later in Washington, where he turned up as a press attache of the Soviet Embassy when I was editor of the *Washington Post*. For a Communist, Romm was exceedingly outspoken, which I believe was why he was recalled to Russia and, I fear, liquidated shortly before the outbreak of World War II.

My friendship with Romm began when he suggested that we have a beer together at the modest tavern that Lenin had frequented during his exile in Geneva. The place was almost empty, and I teased my companion by saying I had thought it would be a shrine for all communists visiting the seat of the League. No more so than Geneva as a whole, he replied, since this very conservative Swiss city was the birthplace of Rousseau, author of *The Social Contract*. That slim book, Romm thought, had been more influential in the development of communism than any of the more-publicized writings of Karl

Marx.

In my political studies I had, of course, read *Le Contrat Social*, but Romm's endorsement led me to consider its thesis anew. All depends on whether one accepts the premise that in every independent community there is such an instinct as *La Volunte Generale*—the "General Will" to which every mature mind in the community naturally conforms. Conservative English thought has always denounced this theory, so dominant in the development of the French Revolution. Edmund Burke attacked it as "chaff and rags and paltry blurred shreds of paper about the rights of man." Nevertheless, in this country there have been many instances of social contracts—beginning with the one made by the emigrants on the *Mayflower*—all of which assume conformity to a General Will. Indeed, such obedience is implicit in the assertion that "We the People" agree to the Constitution of the United States. And such common phrases as "the American way" or "un-American activities" are meaningless unless supported by some form of General Will.

On the other hand, as Rousseau failed to note, any General Will must in practice be voiced and made instrumental by a small group, or even a single dictator, possessing unlimited police power. Antagonism to this General Will, as proclaimed *ex cathedra*, is then at best captious and at worst treasonable. There is no room for individual dissenters or for the organized minorities specifically protected by our Bill of Rights. There is no place for what the English happily call "His Majesty's Loyal Opposition," since to oppose the General Will is of itself disloyal.

Such a concept is fundamentally hostile to any doctrine of individual "rights" and therefore to parliamentary government as a mechanism to establish and enlarge such "fancies" in the interest of log-rolling minorities or ethnic groups. Romm was an able advocate. With Rousseau, he argued that the General Will is the mortar holding society together and must not be undermined by "specious emphasis on allegedly democratic process." He even cited the hoary issue of the right to cry "Fire" in a crowded theater. Only chaos and disintegration, he maintained, can be expected if human rights are regarded as more important than social stability. (It all came back to me as I followed the Carter-Brezhnev controversy on this subject.)

Of course, I was aware that anything I said might be reported to Moscow. But as I knew no military secrets, there were none that I could divluge, and I am convinced that Romm's major interest was in sharpening his very keen wits against the argument of an old-fashioned liberal. On only one occasion that I recall did he discuss the war, which was even then beginning to loom as possible. There were theoretical communists, with whom he disagreed, who thought that such a disaster must benefit the Russian system, regardless of the battlefield results. Capitalism would be weakened, and Communism advanced, by the centralization of power and disregard of property rights inherent in large-scale warfare. I was naturally deeply impressed when Igor Gouzenko, the defecting cipher clerk in the Russian Embassy in Ottawa, made much the same statement under oath before a Canadian Royal Commission at the close of World War II. Roughly the sequence of this school of Soviet thinking was said to be: (a) The First World War successfully placed Communism in the Russian saddle: (b) the second war established Communist domination from the Elbe to the Yellow Sea; (c) a third major conflict, especially if fought with nuclear weapons, would mean a Communist world, even though in the United States the system might euphemistically be called "participatory democracy." This would be a dreadful road to triumph, however, and an all-out race in modern weaponry might well bankrupt the delicately balanced American system as effectively.

My grudging appreciation of the latent power of Communism was confirmed when I became editor of the *Washington Post* in 1933. As the war clouds gathered, I felt it important to be in contact not only with the British, French, German, and Italian embassies but also with the envoys of the secondary powers spread like a flimsy barrier between the Nazi and Communist dictatorships. Without exception, I found these minor ambassadors, from Finland to Turkey, afraid of Germany but terrified of Russia. Hitler may temporarily occupy our territory, they said, but Stalin would rule it permanently. Munir Erteguin, the very able Turkish ambassador, was particularly fearful that the United States, under British and Jewish influence, would become so anti-German as to lose sight of its own national interests.

It was my conviction that the earlier betrayal of President Wilson's Fourteen Points and the Anglo-French refusal to modify the intolerably punitive clauses of the Treaty of Versailles were the basic reasons for the rise of Hitlerism and the renewal of the European war. Since the Senate had wisely refused to sanction this treaty, I could see no legal or moral reason for our involvement in the derivative hostilities, even with full realization of the Nazi tyranny. Equal disregard of "human rights" was apparent in Soviet Russia, and the idea of an alliance with either regime seemed to me anathema. If the Nazis were depicted as the more dangerous to us, it was largely because the Communist system was more subtle and competent, as well as being viewed sympathetically by President Roosevelt and most of the self-styled "liberal" commentators. As for the Japanese militarists, their antagonism was focused on the rising tide of Communism in China and, to my mind, was never primarily anti-American. Distasteful as were both German and Japanese policies, it seemed obvious that the overthrow of those governments must also result in removing the barriers that hemmed in communism, from West and East. As the clouds gathered, I went to the British Embassy to talk this over with Sir Ronald Lindsay, a keen-minded friend and the last prewar British ambassador in Washington. I could not see how Britain could reasonably go to war with Germany to prevent Dantzig, more than 90 percent German in population, from reverting to German sovereignty. My reasoning was good, he thought, but "too intellectual" for popular acceptance, at least in England.

Eugene Meyer, the publisher of the *Post* and Jewish by descent, was also distinctively an "intellectual" who trusted me and for a long time endorsed my objective editorial policy. But the pressures on him to align his paper for war with Germany were becoming increasingly strong. This I had recognized by the spring of 1940, when Hitler's vicious anti-Semitism and his military predominance in Europe were both unmistakable. By pure coincidence, my alma mater, Haverford College, chose this moment to offer me its presidency.

POLITICAL THINKING

The choice was supremely difficult, not less so because there was no financial advantage involved. I enjoyed Washington, where my family was happy, where we had built an attractive home and had a host of interesting friends. And I liked my arduous work, which had brought me a Pulit-

zer Prize and had made the editorial page of the *Post* respected, influential, and widely quoted. But I also knew that newspaper writing in wartime can come close to intellectual prostitution, and I was sure that Roosevelt was steering the country toward war. Moreover, I knew I could do what Haverford's trustees wanted, which was to bring the school out of a pleasant backwater and closer to the mainstream of revolutionary events. So, after much struggle with uncertainties, I separated from the *Post* on August 8, 1940. I had been its responsible editor for nearly seven exciting years.

Haverford, on the western outskirts of Philadelphia, was (and continues to be) on the whole an excellent small college, well endowed and controlled by the orthodox branch of the Society of Friends, of which I was at least nominally a member. I reasoned correctly that this Quaker background would give free play to my somewhat pacifist tendencies. With less prescience, I thought that it would be easy to stimulate interest in American government in what I wrongly assumed would be a restful academic atmosphere. The failure of our colleges to maintain the country's original interest in political thought concerned me greatly. Politics, for the average college student no longer pertained to theories of government, but only to the personalities of politicians. Communists whom I had known had all been deeply and actively interested in political theory. Unless young Americans took equal interest in the ideas on which our much more complicated government was founded, its chance of survival, in anything like the original form, would be slim. So I was disturbed to find the department of government at Haverford almost indifferent to the spirit, as distinct from the form, of our political institutions. Few students even read the *Federalist Papers*, without which a clear understanding of the thinking of the Founding Fathers can scarcely be obtained.

This deficiency seemed the more pronounced because at Haverford instruction in the other human studies was generally excellent. But when it came to clarifying our own political system—there was almost a vacuum. And in discussing the problem with other college presidents, I found the same complaint. As an attempted remedy, I introduced and conducted a seminar course, "The Development of Political Ideas," starting with Aristotle as the seedbed. The students who responded did so avidly, and I was hard-pressed to keep my research abreast. Evidently these young minds had no prejudice against the type of abstract thinking that was prevalent at the birth of our Republic.

Gradually two convictions, both contrary to popular appraisals, formed in my mind. One was that technological training alone, no matter how proficient, would not be adequate for the postwar period. After Pearl Harbor I had been appointed to the advisory committee of the Army Specialized Training Program. Periodic sessions at the Pentagon revealed more flexibility in the military mind than I had expected. Nevertheless, the essential drive was always toward vocational education—more pleasingly called "career development"—at the expense of the so-called liberal arts. I began to feel that these "two cultures," as C. P. Snow would later call them, were perhaps equally deficient. Neither of them really exposed young minds to our philosophy of government, with which both technical and humanitarian education should be in step.

Without exception, the minor ambassadors were afraid of Germany but terrified of Russia.

My other, associated, conviction is perhaps even less generally acceptable. It is that, while politics is underplayed, economics is actually overemphasized in most of our colleges. After making a fairly substantial study of "the dismal science," I concluded that it had been a mistake to change the old descriptive term: "political economy." The adjective is as important as the noun, since a political bias can be found at bottom in nearly every economist. In mathematics, a real science, one cannot speak of a capitalist or communist approach. Euclid stands as straight in the Kremlin as on Wall Street. But economics can be, and is, twisted to meet the service of either a free or managed market. With the help of calculus and computers, a scientific statistical veneer can be applied by either school. But it is only a coating. The fundamental response of economics, as with misnamed "political science," is to human actions and emotions and not to immutable law. There can be a scientific *approach* to the so-called social sciences, but that is all.

HUMAN EVENTS, 1945-50

That being so, and in accord with Aristotle's dictum that "man is a political animal," it seemed to me important that politics, and especially those political ideas woven into the fabric of our own government, should be examined in more depth. I saw the educational opportunity when Frank Hanighen came to Haverford to discuss collaboration in the newsletter that I named *Human Events*. The small Foundation for Education in American Citizenship, in Indianapolis, had been thinking along similar lines; and for a time, knowing how active English Quakers had been in the promotion of liberal journalism, I thought that my college could properly sponsor the undertaking. Anyway, as the war drew toward its end, the project seemed worthwhile to all with whom I discussed it. So I encouraged Frank to go ahead, from his base in Washington, which he courageously did while I was still president of Haverford.

This position I resigned as of July 11, 1945. Thanks largely to cooperation with the army, the college had come through in good financial shape. I was past 51, very tired of taking flak from both prowar and pacifist positions. I had an excellent assistant who could readily handle the transition to novel peacetime probblems.

The reasons for my eventual departure from *Human Events*, after five years of effort in riding several horses, were very involved. Even now I cannot be sure that I list them in order of influence. To maintain solvency, the undertaking could pay me only a trifling wage, which I was forced by family responsibilities to multiply in several time-consuming ways. Yet to maintain its unquestionably high quality, the little publication demanded continuous personal attention, more so because Hanighen and I had come to differ over its policy. He thought, correctly, that to achieve financial success we would have to push our paid circulation well above the 5,000 mark where it had seemed to settle. To do this, he wanted to exploit the popular mistrust of Russia that was daily becoming more apparent. I argued that this line could only encourage militarization and further centralization of power in Washington. It would run counter to our agreed purpose of seeking to re-

animate the country's original political thought. I was the more determined because of the flattering reception given to my book, *The Power in The People,* published early in 1949. (Its companion volume, *Freedom and Federalism,* issued by Regnery a decade later, was already in mind.) Unease at *Human Events* was increased when Representative Richard M. Nixon, as he was then, sought our aid in his *ad hominem* attack on Alger Hiss. I told him that our interest was in clarifying political ideas and not in denoucing individuals, whether or not justifiable. Here Hanighen thought that we were missing an opportunity to gain publicity.

Our disagreement rose to crisis with the collapse of the Chiang Kai-shek regime and the easy triumph of Chinese Communism during the spring and summer of 1949. To Hanighen, this was a tocsin for rallying American strength behind the Nationalist government, in its enforced exile on Taiwan. To me, the disaster was the logical result of the foreign-policy blunders so shrewdly analyzed by General Stilwell and of the widespread Communist strength that I had myself observed in China almost a quarter century earlier. With our active assistance, Communism had now become dominant over the great Eurasian land mass. A lengthy visit to West Germany, where we were still dismantling factories and giving machinery to the Russian satellites, assured me that this sad development must be accepted, in Europe as well as Asia. In my journal I quoted: "The moving finger writes and having writ, moves on...." Policy now must be defensive—to save the American way at home. So, in the oversimplified jargon of the times, I became isolationist while Frank Hanighen moved to interventionism.

The split thus made inevitable came early in 1950. I was president of *Human Events,* but when we incorporated we had agreed to divide the stock evenly between Hanighen, Regnery, and myself. But circumstances now demanded that one person take full command of editoral policy, and I called a stockholder meeting to say so. If I were chosen, I would drop other work to fulfill the trust; if it were Frank, I would resign my office and turn in my stock at cost. This put it up to Regnery, who decided against me, telling me later that he did not think I could confine my energies to *Human Events,* while Frank could. Very likely this was sound judgment. Anyway, in this manner, on February 14, 1950, my connection with the undertaking was terminated, though I consented to keep transitional editorial control until that summer. There was a minimum of ill-feeling, considering the fundamental difference.

In retrospect, I see this episode as symptomatic of that which has come to divide the conservative movement in the United States. Frank and Henry, in their separate ways, moved on to associate with the far right in the Republican Party. My position remained essentially "libertarian," though it is with great reluctance that I yield the old terminology of "liberal" to the socialists. I was, and continue to be, strongly opposed to centralization of political power, thinking that this process will eventually destroy our federal republic, if it has not already done so. The vestment of power in an HEW is demonstrably bad, but its concentration in the Pentagon and CIA is worse because the authority is concealed and covertly exercised. Failure to check either extreme means continuous deficit financing and consequent inflation, which in time can be fatal to the free enterprise system. As a recent *Federal Reserve Bulletin* puts it, with refreshing candor, "One of the primary benefits of inflation is the revenue it produces for the government."

Wartime newspaper writing can come close to intellectual prostitution.

To believe that such a nexus of problems can be confronted by preparation for nuclear war with Russia is close to madness. The tragedy of our ill-judged intervention in Vietnam is a clear warning. Simply because communism is such a primitive political system, it flourishes in the ruins caused by war. Opposition to detente clearly reveals the obscurantism of our far right. It must delight the shrewd men in the Kremlin, who have shown that they know how to deal with a National Socialism trying to masquerade as conservative.

Furthermore, it is to my mind doubtful that conservatism can successfully take political form unless there is a unified establishment to give it focus and rallying point. All the conservative parties of Western Europe had such a foundation: that of the landowning class, of an established Church, of a court circle, of the military leadership, or of all of these united. Monarchy could be made constitutional, and representative government made possible without revolution, only where and when the directive power of the elite remained essentially unshaken.

But in the United States, as a federal republic, only the usually self-effacing military has been able to claim establishment as an elite on a national basis. Business could not do so as long as it remained decentralized and competitive. So there seems little prospect of building a politically potent conservative foundation here, now that the basis of privilege has been swept away in the countries of its origin. We no longer hear the old slogan "noblesse oblige," as contrasted with the popularity of "no discrimination."

Consequently, it is not surprising that the right-wing effort to make the Republican Party a conservative agency has been a dismal failure, with leaders from Goldwater to Reagan falling short in every nationwide electoral test. As shown by the number of voters who jump party lines, American politics is still mechanistic and not ideological. Within my own memory, nobody expected the Democrats of Mississippi and Minnesota to have the same political principles, and there was equal differentiation between the Republicans of Pennsylvania and Wisconsin. Presidential elections were only the sum of state elections, at first not even held simultaneously. They gave no reliable index to national thinking on philosophic grounds, which is appropriate under a Constitution with the major objective of reconciling freedom and order. It is the former that is, and always has been, most threatened by centralization of power.

Because the conservative malaise is so largely the fault of extremists, there is now the greater opportunity for libertarians, who are disposed to pay heed to our government's basic principles and to think our problems through rather than to act as zealots. Required reading is F.A. Hayek's important essay, "Why I Am Not a Conservative," meaning, of course, in the narrowly political sense. "The task of the political philosopher," he says, "can only be to influence public opinion, not to organize people for action." That was the honorable purpose of *Human Events.* Where it failed, others will succeed. ◻

Mr. Morley has had a long and distinguished career in American journalism.

Warning to Constitutional Republicans

viewpoint

Edith Efron

All those who criticize the American State as a violator of liberty cannot be assumed to be allies. And thereby hangs a tale, told to me by Murray Rothbard a number of years ago. It seems that he had a shocking experience in the late 1960's, when he joined a leftist political party led by that distinguished ex-rapist and then advocate of racial and class murder known as Eldridge Cleaver. Murray assumed that because the members of this party were raging at America for conducting the Vietnam War and for maintaining racist institutions, they were his allies. He knew, of course, that they were scarcely advocates of capitalism— indeed, he knew Cleaver was a communist and that most of his new associates were collectivists. But, as he told me, he thought he could gradually sneak up on them, teach them economics, and, in effect, take them over. One day Murray got involved in an internal party squabble about a candidate for some office, and found a gun stuck in his ribs. Thus did he learn what any grocery clerk could have told him—that his New Leftist associates were thugs, and that *he* had been taken over by them.

I tell this story today because a significant portion of the libertarian leadership is repeating this precise error. Major figures of the Libertarian Party and the editors of the two new libertarian publications have apparently decided that because the leftists and counter-culturists are busily denouncing the State, the libertarian movement can make common cause with them. The signs of this decision have been multiplying steadily. A burnt-out derelict of the New Left named Timothy Leary appeared on the platform of the last Libertarian Party convention to prate about his drug-soaked understanding of liberty. Libertarians running for office have blindly supported every "liberation" movement—Gay Lib, Transvestite Lib, Women's Lib, etc.—although each of these movements actually advocates coercive egalitarianism, collectivism and statism. Libertarians have careened after every howling leftist crusade against the wrong-doings of Big Business, and of America's major security institutions—the CIA, the FBI, the Pentagon. They have absorbed the counter-culture's notion that nothing has higher priority for lovers of liberty than the right to take dope, to contemplate pornography and to enact the full repertoire of Kraft-Ebing. And finally, many libertarians have joined the Left in propagating the myth that the United States is the sole source of international evil; that the USSR is an innocent, peace-loving nation; that communist expansionism is no threat; that the Third World is a potential fountainhead of freedom; that Israel, shelter for the survivors of the Nazi holocaust, should be abandoned to the tender mercies of the Arabs; and that the only historians to believe are the leftist revisionists. By now, there is scarcely a counter-culture crusade or a leftist ideological bastion that libertarians have not embraced.

I do not imply, here, that we should not acknowledge truths if they are spoken by the Left or the counter-culture. Of course we should. If a leftist identifies an injustice that one knows to exist, one must say so. If a counterculturist indicts a social policy that one knows to be wrong, one must say so. Similarly, if a whorehouse madam makes a valid criticism of modern marriage; if an embezzler makes a valid criticism of banking operations; if a murderer points out a flaw in the prison system... or if a madman shouts out "1 plus 1 equals 2"—one must indeed agree. But agreement on the existence of specific errors, specific injustices, even specific crimes, is not the same thing as making a political alliance with those who charge them—an alliance that implies that the critics share one's values, one's view of the social good, and are moving towards the same political goals. The issue is *contextual.* One does not support a movement because one of the hundred-odd statements it makes is true. One does not support a movement which cries shrilly about liberty for itself, while preparing to stick a gun in the ribs of everyone else. And, above all, one does not support a movement which is fundamentally opposed to one's most central principles. If a libertarian stands for anything it is for private property and capitalism. If he knows anything with certainty, it is that individual political freedom rests on economic freedom. But that is what the Left is determined to destroy. All of which means: a libertarian can *never* rationally ally himself with the Left.

By the same token, a libertarian cannot ally himself with anyone on the Right who is intent on destroying his central values. Bookburners, religious bigots, racists, social fascists, enemies of the free market, all must be repudiated. The principle is identical.

This does not mean, however, that there are no allies in America for the libertarian. On both the Right and Left there are indeed allies for any defender of a free society. On the conservative side, there is an important scholarly tradition of political and economic liberty. Modern libertarians, indeed, are the children of this tradition, and they have no business disregarding their ancestors. Such scholars of capitalism as Ludwig von Mises, Milton Friedman, and Friedrich Hayek, who themselves have been alienated from the stupid and bigoted elements of the Right, are noble exemplars of this tradition. And they and their students, almost alone on American campuses, have kept the scholarship of capitalism alive. Such intellectuals profoundly understand the integral connections between political and economic liberty, and they tower conceptually over the political theoreticians of the Left. They constitute a valuable network of allies.

On the liberal side, too, there is a growing group of potential intellectual allies—the liberals and former leftists inaccurately baptized "neo-conservatives" by the historically illiterate Left. In fact, they are "neo-liberals," returning to the insights of an earlier and more enlightened stage of liberalism. These, today, are the genuine culture heroes of the Left. They alone—above all Irving Kristol—have split the liberal world. They have turned thousands of the most in-

sightful liberals into discerning critics of government excesses in both the intellectual and economic realms. They have awakened a conscious appreciation in thousands of the tie between capitalism and freedom, and, conversely, of the morbid stupidity of the fantasy-ridden socialists who dream of political freedom under economic dictatorship. Gripped by this very fantasy, the liberals in this country have run amok, have used State coercion to impose egalitarianism, and to war ceaselessly against a free productive system. It is the "neo-liberals," above all, who have cried out a warning, against diminishing liberty, and who have demonstrated that rarest of human virtues, the capacity to learn from their errors. They are, in fact, historically invaluable. At this stage of our culture, the disparity of understanding between the scholars of capitalism and the liberal intelligentsia is so great, that communication has virtually ceased. It is *only* the awakening understanding of men with long careers as reputable liberals that could have breached the gap.

These two groups—increasingly working as allies—are the major ideological forces in the country that are genuinely concerned with the relationship between intellectual and economic liberty. One may isolate inconsistencies and contradictions within both groups, but their dominant direction is unmistakable. They are fighting to expand areas of liberty that have been savagely contracted in the past 50 years. By contrast, the Left claims to be passionately concerned with liberty at home and abroad, but its morally incoherent cries have shown no such authentic concern: Expose the CIA! Evade mass murder in Cambodia! Liberate murderers as victims of society! Jail businessmen as the enemies of society! Don't censor *Hustler!* Censor TV cops and robber shows! Free the oppressed Africans! Send the South Vietnamese refugees back to slavery! String up the Greek colonels! Fawn on Ho Chi-Minh and Mao Tse-Tung! The Left has screamed for liberty only for *its* allies, for *its* values. And, with unwavering consistency, both at home and abroad, it has promoted egalitarian coercion and statist assaults on economic freedom. Its dominant direction, too, is unmistakable. The Left is hurtling *away* from freedom.

Given the existence of two important pro-liberty groups in this country, it is stupefying to see that the libertarian movement has not rushed to join, to support, and to aid them. (It is only since Hayek and Friedman have received Nobel prizes that some libertarian publications have deigned to say a civil word about either man. Irving Kristol is still the object of vulgar sneers.) And it is more than stupefying to see that, instead, the libertarian movement has skidded into alliances with the Left and counter-culture—with a collection of sleazy, collectivist, anti-capitalist movements. It is so amazing, in fact, that it requires explanation.

The collapse into counter-culture vulgarity has already been explained by Ayn Rand. Years ago, she said that the libertarian movement was doomed to degenerate into a "hippie" movement. She was quite right; in some important measure, it has. The reason for that is plain enough. Without a serious metaphysical, epistemological, and ethical base, a commitment to individual self-interest must necessarily degenerate into a slovenly rationalization for "doing your own thing." It is no great surprise, under the circumstances, that the counter-culture gutter movements, celebrating the most irrational manifestations of self-assertiveness, have been attractive to many libertarians, shorn of a guiding ethics or worse: confusing free market theory with ethics.

But, unless I missed that prophecy, even Ayn Rand did not predict that this movement would crawl into bed with the collectivist, anti-American Left. And for that, I think, there is yet another explanation. I suspect that a critical turning point in the evolution of this movement occurred when the proponents of a constitional republic, who by definition advocate a nation-state, agreed to suspend their endless quarrel with the anarchists, on the grounds that one should not split the forces of a small pro-liberty movement. After all, the argument went, one could wait a few hundred years to debate the issue of whether the government should be merely microscopic, or downright non-existent. All, presumably, could agree on the necessity to diminish its powers. It sounded like a plausible agreement. But it wasn't. For the constitutional republicans it was a very serious error. Already traumatized by the Objectivist debacle, which had severely undercut their self-confidence, they actually had agreed to abandon a series of important areas of political thought—above all they had abandoned the *affirmative* aspects of their position—the value of nation, the necessity of a national culture, the value of a government, the need to defend the country, and the need for a radical reformer to formulate a political position which integrates his proposals for change with his desires to preserve. An American libertarian who is a constitutional republican and an advocate of nation is, in fact, a *reverent revolutionary.* When such a libertarian agreed to stop defending the validity and value of this nation, of its unique historical significance, of its founding fathers and its constitution, and of its magnificent meritocratic ideals, he knocked the *reverence* out of his revolutionary position. And, since it is precisely that reverence which is the prime mover of such a revolutionary, since he is not moved by vindictive malice but by outraged love, the results were inevitable. The constitutional republicans were struck dumb. They became paralyzed, mute, and *stupid.* The plain fact is that repression addles the brain.

The intellectual damage was particularly striking. By definition, the analytical task of constitutional republicans is arduous. They desperately needed an expanded and diverse intellectual leadership to assist them in evolving a clear theory of the legitimate role of a limited government, and defining policies. And they desperately needed to be able to participate fully in the national discussions that raged—for they care about this nation, and they care about its civilization, its vitality and strength. But neither need was satisfied. In fact, it became taboo to consider such needs. By agreement with the anarchists, no examination of the affirmative aspects of the nation-state or of the unifying abstractions of the nation's pluralistic culture, was allowed. Over the years, in fact, the taboo became so intense, that ugly invective broke out whenever an individual presumed to explore these areas. The invective, of course, came from the anarchists, whose sole position on nation and state is negative—and who had lost nothing whatever by the agreement.

The anarchists, in fact, have flourished in the value vacuum generated by the agreement. They needed no diverse intellectual leadership. One does not need a multiplicity of intellectuals to promulgate the single cure-all for the ills of the State: Destroy it! Nor did they need a wealth of competing analytical theories and proposals for preserving while correcting. They had nothing to preserve. They had Murray Rothbard's absolute to guide them: "The State is a Mass Murderer"—an absolute that so shriveled their discriminatory faculties that they were no longer able to make moral distinctions between the United States of America and totalitarian prison camps. As for a political program, it was guided by that same absolute. By their say-so, the anarchists inhabit a mass-murdering tyranny called Amerika, and their political attitudes are similar to those of the French under Hitler: they see any alliance as acceptable provided the goal is to destroy the State. And that is well and good, as a short-range program—under Hitler. But we do not live under Hitler. However grave our problems, we do not live in a mass-murdering totalitarian tyranny. [*Continued on p. 46.*]

foreign correspondent

Afflicted with Optimism

Ghent, Belgium. This is my eighth annual report in this magazine. It will also be the first not-too-pessimistic one. The intellectual climate in Europe is no longer exclusively Marxist-collectivist. Classical liberal and even libertarian rumbles are increasingly heard. How did this come about? I don't pretend to know, but the Nobel Prizes won by Friedrich Hayek and Milton Friedman, added to the work of Solzhenitsyn, first come to my mind as possible explanations.

As far as I can judge, Hayek's Nobel Prize had the biggest impact in England and in Germany, where C.D.U. leader Helmuth Kohl flooded the electorate with copies of a German translation of *The Road to Serfdom*. Friedman's impact was even bigger. His views were publicized in newspapers and mass circulation magazines. Just a few weeks ago, some followers of his from the University of Louvain were interviewed on Belgian radio. One of them stated with characteristic bluntness that the time had come to turn one's back upon the New Left economics of the 1960's and opt for New Right economics that would put less trust in State authority and be more willing to give market mechanisms a chance.

Solzhenitsyn has been important in another way, in breaking a lot of intellectuals' enchantment with Marxism. Frankly, I have never understood this very well. Although I yield to no one in expressing my appreciation for this honest and intelligent man, most of what he revealed about Soviet Russia was known before. But for some reason or other, he was the first one to catch the leftist intellectuals' ear, inducing at least some of them to break away from Marxism.

His influence can easily be traced, for example, in the phenomenon of the French "nouveaux philosophes" (new philosophers), most of them ex-Marxists who have come to reject their former idol. Since they were the subject of recent articles in *Time* and REASON, I won't dwell upon them too extensively. Just let me mention that *Time* did not exaggerate: their books *are* selling like hot cakes, even in Belgium. Their influence is purely negative (they are anti-ideologues, not libertarians—although Nietszchean and classical liberal traces can be found in some of their books) but still considerable. The nearest American phenomenon you could compare them to is the counterculture of the sixties. I expect you'll see translations of their books (maybe those by Andre Glucksmann and Bernard Henry Levy) on the American market in a few months.

Also in France, a book with the significant title *Vive le Capitalisme* (Long Live Capitalism), written by one Maurice Roy, was published just a few weeks ago. It's written in a typically superficial French style, filled with numbers and statistics rather than ideas, but it definitely is pro-capitalistic. One chapter extensively covers the American libertarian movement, mentioning Rothbard, the Friedmans and Nozick by name. It's too early, of course, to tell whether it will have even half the success of the new philosophers' work.

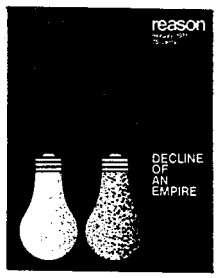
And then there's also veteran anti-leftist Jean Francois Revel (whose books have been translated into English) who goes on writing (and being read) like hell. The fact that all this happens in France, of all countries, is doubly significant. If ever there was one place where Marxism had an intellectual near-monopoly, it must have been there.

But you'll want to hear something about tiny Belgium too, I suppose. Here also, the news is not too bad, although even one or two months from now, I may be in a better position to judge. I remember telling you, more than a year ago, that a semi-libertarian pressure group, the Beweging Beperking Staatsmacht (BBS) had been founded. It never got anywhere, so some of the members in fact decided to "flee forward," into straight politics, by founding a new party. Late in November it was formally presented to the media and the public, with Mogens Glistrup from Denmark as a guest speaker. More than 100 people attended and television coverage was fair. The Radicals' Party (as they decided to call it) platform is far from being fully libertarian. Taxation is accepted, social and life-style issues ignored (I happen to know the president personally favors compulsory military service) and State subsidies to the schools declared "worth considering." So even if successful, the party can only be considered a small step in the right direction.

In the meantime, while the "politicians" inside the movement founded a party, the "philosophers" set up a Libertarian Center, for the purpose of finally starting the long-needed libertarian education of the intellectuals. A small bookshop was established, doing rather well and serving as a center for providing information to the public. As a first development I shall start holding regular libertarian meetings in a few days. How far all this will go is difficult to tell, but, big or small, there's no doubt in my mind that *this*, rather than the BBS thing a year ago, represents the real start of the Belgian libertarian movement. Our first discovery, in selling the books, was that two of our customers, assistant law professors at the University of Ghent, were already hardcore libertarians busily working in their professional environment. All this evidently relates to the political and ideological microscosmos. If you're interested in the macrocosmos, you may want to know that Belgium is one of the few countries that increased taxes once again. The only consolation is that apparently most politicians realize the limit has been reached. Recently even socialist minister Simonet warned against too much State intervention. Some day he may even try to put his ideas into practice.

Guy de Maertelaere

Collectors!



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money

Why Deflation Will Not Happen

How many people do you know who bought gold around $103? Sold out in December 1974 at the height of the boom? Bought stocks when the Dow bottomed and sold them when the Dow was over 1000?

Not many, I'd bet. The majority of people, especially when entering markets for the first time, tend to buy near the top and hold all the way down, waiting for the market to turn. The psychology of the market, grounded in good old human optimism, is the reason. When prices are going up, people expect and want them to keep rising. When prices are going down, people want them to go up, but believe they are going to keep going down.

The theory of contrary opinion is based on this simple observation: Sell when the public buys; buy when the public sells. That, in a nutshell, is the way to make money in markets.

Of course, you need to know a lot more than that. Timing is all important, and beyond the scope of this column. But whenever you are considering investment, always keep in mind what I call *The Market's Law of Gravity:* Everything that goes up, must come down; and everything that goes down, must come up.

Such a simple rule has a host of exceptions. If a company goes bankrupt, its shares are never going to come out of that down phase. Prices can move sideways rather than up or down. Keeping this rule in mind will guard against being caught in the feverish atmosphere surrounding the top of any bull market—and from missing out on the bargains at the bottom of the bear.

Such straight-line thinking about the future is an easy trap to fall into in any area of prediction. I think it accounts for the increasing numbers of people in hard-money circles who are predicting deflation, rather than runaway inflation, as the ultimate consequence of the current monetary crisis.

If we remember back to 1973-74, predictions of imminent runaway inflation were a dime a dozen. When inflation subsided, so did the fear of an inflationary collapse. Now many people are afraid of deflation and depression, a fear based on the current enormous level of pyramiding debt, with the prospect of a credit collapse.

Certainly, the level of debt is a cause for concern. So is its poor quality, with so much lent to Third World countries. Their shaky economies would guarantee a default in times of stable money. Or the borrowings of communist nations, who sell less than they buy in the West, and have little or nothing left to pay back the interest, let alone the capital.

John Exter, former Citibank executive, is possibly the most well-known proponent of deflation as the most probable future for the United States. Many others are appearing in growing numbers.

The crux of their argument is that many of these shaky debtors must default sometime soon. Since much of this debt is held by the top US banks, such a widespread default will render these banks illiquid. They will be unable to pay out their depositors, resulting in a run on the banks; and the nation will be gripped in a banking panic like that of the 1930's.

There are many flaws in the arguments of the deflationists (those predicting deflation). Exter, for example, doesn't understand what deflation *is*: namely, a reduction in the money supply. His definition—falling prices—presupposes a falling or stable money supply. As the government isn't about to change its policy of printing money, a deflation could only happen as a result of a banking collapse.

In the absence of a government policy of deflation, the likelihood of that banking collapse is about zero. New York City provides us with a perfect example of the deflationist scenario. Banks like Citibank and Chase Manhattan have upwards of 50 percent of their assets in New York City and State paper. New York City declares a moratorium on interest payments. The market for New York City bonds drops to zero. Big New York banks suddenly find a substantial part of their assets worthless. If they've invested in W.T. Grant, Penn Central or Lockheed paper as well, they've got a few more problems.

But neither Citibank nor Chase closed its doors. No run eventuated. And it wasn't as though the Fed or Washington raced to the rescue. Far from it. Then-president Ford made it clear he wasn't about to bail out New York—though Congress eventually came through with some assistance. Why didn't a run develop? Why didn't depositors line up to get out their money when it was known the big banks could be in trouble?

One reason is that people are so thoroughly bamboozled by the government and the banks, they're not aware that fractional-reserve banking means all banks are technically bankrupt *now*. No bank can pay out all its depositors on demand, because they only keep 10-15 percent of the depositors' money on hand (or at the Fed). The rest they loaned to New York City, the Soviet Union, Zambia and Peru. Not to mention Pan Am, Lockheed, and a few sound risks as well. The myth of the FDIC helps, of course, as does the belief (correct in my opinion) that the government, in its Federal Reserve clothing, stands ready to print unlimited dollars to stem any widespread bank run.

More importantly, New York's moratorium on interest payments didn't affect the banks' day-to-day operations. All they lost was some income, and only temporarily. Banks make their money from *interest*. So long as this keeps coming in, it doesn't matter too much if the capital is never repaid. If one of their borrowers is in trouble, especially one as big as New York City, the banks will reschedule repayments by postponing the date when the *capital* has to be repaid.

Providing the borrower can make the interest payments, the day of reckoning will be postponed indefinitely. Only when the borrower goes *bankrupt* do the banks have to write the loan off their books. If it's a borrower as big as New York City, then the banks would be in real trouble.

The temporary loss of interest income, even on a large part of a bank's assets, does not create cash flow problems at the tellers' windows. Since the amount is so small relative to the bank's total liabilities to its depositors, it can always borrow a little more from the Fed to tide it through until the interest starts rolling back in.

If New York City's default didn't start a bank run, how could a default by Peru or the Soviet Union? Neither country—or any other borrower—owes as much to the big US banks as New York City or New York State.

I'd be the first to agree this continual rolling over of loans is very poor banking practice. But it is only one of the many effects of inflation on debt the deflationists ignore completely. For example, inflation reduces the *real value* of any debt. Thus, if New York City—or you—manage to postpone repayment of a debt, you'll be able to pay back a debt contracted in 1976 with 1978 or 1980 dollars.

Inflation also *encourages* debt for this very reason. The rising level of debt is simply another result of inflation, as everyone tries to buy assets today and pay for them with dollars tomorrow. Thus, we've seen the troubled companies of

1974-75 becoming profitable in 1977, partly because inflation has enabled them to trade out of trouble. The same thing applies to the Soviet Union or Third World nations.

But there is also a host of international bodies like the IMF standing by to bail out any Third World nation that has trouble paying back its loans. And the bankers themselves stand ready to "reschedule" repayments on loans which Third World nations are having trouble servicing.

To put the final hole in the deflationists' arguments, the events of the 1930's do not bear out their thesis of a credit collapse. The worst years of bank failures were 1931 and 1933—two and four years *after* the depression had begun. The bank failures resulted *from a government policy of deflation.** They were not the cause, but the *result* of deflation.

In other words, there is no way a deflation can happen now unless the government causes it to happen. What are the chances of that?

Mark Tier

* See Milton Friedman and Anna Schwartz, *A Monetary History of the United States;* or Murray Rothbard, *America's Great Depression.*

washington watch

Involuntary Treatment Banned

Sometimes if you stay with an issue long enough it becomes "noncontroversial" and you can win your points in surprisingly simple ways. An example is the issue of involuntary mental treatment for those accused of crimes and remanded to the State for psychiatric treatment.

The Senate is still trying to reform the federal criminal code. This year's bill, S. 1437 is much improved over the potentially repressive S. 1 which had civil libertarians exercised last session.

During markup sessions in the Senate Judiciary Committee, Sen. Malcolm Wallop (R-WY) slipped in an amendment which gives defendants who have been declared incompetent to stand trial, or whose competency has been questioned, the right to refuse certain kinds of psychiatric "treatment" including psychosurgery, electroshock "therapy," and forced drugging. For these techniques to be used now requires a reasonably safeguarded informed consent in writing. Sen. Wallop's amendment was passed (waved off as "noncontroversial" by Sen. Kennedy, who was presiding) and is now a part of the Senate bill, which has been passed by the Senate Judiciary Committee and will be considered by the full Senate in February.

Reforming the FBI and the CIA

Rep. Herman Badillo has introduced a bill to reform the nation's intelligence agencies, provide clear limits to FBI-CIA jurisdiction, limit abuses of power and punish deception of Congress and the public by intelligence agency officials.

H.R. 6051 (which is co-sponsored by such as Conyers, Dellums, Drinan, Clarence Mitchell, Pete Stark and Charles Rangel) would change the CIA's name to the Foreign Information Service and ban covert actions, and change the FBI to the Federal Bureau of *Criminal* Investigation and ban political and other non-criminal investigations. If the bill is passed, such activities as Cointelpro will be forbidden, the method of classifying government "secrets" would be revised, and victims of intelligence agency abuses or overzealousness would have statutory grounds for civil or criminal suits.

The FBI recently issued internal guidelines to control some of the bad-PR abuses of the recent past, but a recent Government Accounting Office report calls them vague and subject to varying interpretations, and still not followed very closely. The GAO's sample found that 73% of local preliminary investigations go beyond the 90-day limit without being reported to FBI headquarters, in violation of the guidelines. Also, only 10 of the 319 preliminary investigations surveyed by the GAO produced information useful to an eventual arrest. Any investigating agency will start investigations which turn out to be blind alleys, but this seems a little out-of-line.

Libertarian Advocate is supporting this legislation and urging supporters to write their Congressmen urging support and co-sponsorship. We don't share the sponsor's apparent faith that passing this law will end all abuses, but it seems like a constructive first step.

Write to: US House of Representatives, Washington, DC 20515.

Airline Deregulation

It remains to be seen whether Senate passage of H.R. 6010, which deregulated cargo air transportation and allowed airlines to offer special fares to senior citizens, bodes well or ill for passenger deregulation. On one hand it may indicate Senate receptivity to the more comprehensive regulatory reform measure passed by the Commerce Committee and due for full Senate consideration in February or March. On the other hand it may eliminate some interest groups (senior citizens and freight shippers) from the ranks of those pressing hard for the more comprehensive reform measure.

Even if you've written before on this issue, letters to all Senators would be helpful at this juncture (US Senate, Washington, DC 20510).

Humphrey-Hawkins and the Washington Mood

There is some serious danger that an amended version of the Humphrey-Hawkins "full employment" bill, with a few compromises and fewer mandatory or automatic actions required of the president when unemployment reaches certain levels, will squeak through. That would be disastrous. One can hardly say that we now have an economy free of government controls and manipulations, but Humphrey-Hawkins, no matter how "watered down," would institutionalize certain kinds of federal economic planning and put in place some automatic forms of control which could mark a watershed change in the relationship between government and the productive sector of the economy.

While we can't afford to relax our vigilance, especially on Humphrey-Hawkins, I sense a certain caution about new proposals for even more government controls. Carter's problems with his energy package are well-known. The House killed a new banking regulation bill as well as the old treadworn Consumer Protection Agency.

Some of these legislative fiascos are due to Carter's uncertain and abrasive leadership style, but some of them may be due to an increasing realization that the money just isn't there any more. There are precious few "surpluses" left for politicians to feed their egos and sense of power by allocating. Everybody knows Social Security is broke. Everybody agrees that taxes are too high. Most people are suspicious and skeptical about government. The existence of these attitudes does not assure libertarian victories without a lot of effort, but the time may be getting riper for innovative non-government and anti-government initiatives.

Alan Bock

movies

Valentino • Julia

• Ken Russell's taste for surrealistic fantasy renders him incapable of creating a serious film biography, as his latest movie, **VALENTINO**, makes abundantly clear. Russell, who co-authored and directed the film, has created some dazzling special effects, which underscore both the fascinating and the repellent aspects of idol worship. Hundreds of fans chant a midnight litany outside Valentino's mansion; and shortly after his death, a wailing mob attempts to break into his casket while his body lies in state. But on the biographical level, as a study of the silent film star, *Valentino* is too melodramatic and too broadly acted to be taken seriously. In the title role, dancer Rudolf Nureyev makes an impressive acting debut in what is essentially a lightweight characterization.

The film interprets Valentino as a gifted, somewhat vain dancer who is easily manipulated by the women in his life. The women themselves do not come off at all well: Leslie Caron camps outrageously as a lesbian prima donna; Michelle Phillips alternates between cold calculation and hysteria as Valentino's superstitious wife; Carol Kane plays a naive star whose salvation lies in the fact that talking pictures haven't been invented yet; and Leland Palmer gets to show off little of her dancing talent as Valentino's drunken stage partner. Ken Russell's lack of enthusiasm for Hollywood is well known, and colors the entire movie. But in achieving what amounts to his revenge on macho trips, idol worship, gossip journalism and the rest of Hollywood's excesses, Russell has inadvertently created an excess of his own: a biography which incorporates the worst aspects of 1940-style melodrama.

— Charles F. Barr

• Once every four or five years there appears a film directed by Fred Zinnemann. The rarity of this great Viennese director's works constitutes a great loss to his viewers. All his films are noteworthy for the clarity and incisiveness of their story line, the care and perceptiveness with which the characters are delineated, and the revealing atmospheric touches, the careful attention to the most minute details, and most of all the unerring developmental sense with which the story unfolds and is propelled toward its climax. Occasionally his films are exciting without being involving, as in his 1974 film *The Day of the Jackal*. But on other occasions, as in *The Search, The Men, High Noon, The Nun's Story,* and *From Here to Eternity*, the qualities that make for an engrossing movie are combined with a subject-matter that is highly charged emotionally, and the result is an experience of such intensity as is seldom seen on the screen.

JULIA is such an occasion. One could fault the characters (not the characterizations) for numerous things: one could say, If Lillian Hellman was fighting against totalitarianism, why did she marry Dashiell Hammett, a member of the Communist Party? And why did she make a pilgrimmage to Russia? One might say in reply that one enemy at a time is enough, or that she was acquainted with the evils of Nazism but not of the Soviet Union, or, most plausibly, that this is a film based on Hellman's autobiography, and presents her life-story as it is, not as it ought to be.

The portrayal of Lillian Hellman by Jane Fonda is flawless—a study in emotional depth, sensitivity, restraint, and inner radiance—and is by far her best acting role to date. The portrayal of Julia by Vanessa Redgrave is also, in its unique way, glowing with warmth and vibrating with excitement. Jason Robards as Dashiell Hammett is solid and sensitive, and Maximilian Schell and Hal Holbrook are convincing in bit parts, but the film belongs to the two women.

At first, as one settles down, one thinks that this is going to be a mood-picture; and it is indeed a mood-picture, masterfully sustained throughout. But it is also much more: it is a suspense film as well, the suspense being all the more meaningful because of the empathy that has been built up between the viewer and the major characters. The moment-to-moment details of the train ride through Nazi Germany pulsate with excitement only because we have become so attuned to the inner workings of the minds of the protagonists.

In other hands, the film could have become either boring or maudlin with zero effort. In the hands of a master of his art such as Zinnemann, every detail becomes freighted with emotional impact. A seemingly casual word, a glance from one eye to another, the way a mouth is drawn, the external containment of emotion while the subsurface seethes with it—all this reveals far more than dialogue alone; the film's impact is greater for what is not said than for what is. The sight of leaves in an autumn forest can make one feel them under one's feet; a glance, barely noticeable, carries with it such a telling implication that one shudders; a tight-lipped receipt of a long-distance telephone call echoes the tension of a cord about to snap or a world about to plunge into war; a flashback no more than thirty seconds long, recalling what life once was, can engulf one in dizzying waves of nostalgia. That such effects can be achieved in this jaded time is a tribute to Zinnemann's depth of human insight and his mastery of the medium required to express it.

To say that this is Zinnemann's best film would be an exaggeration, for he is his own ablest competitor. But to say that it is the most clearly articulated, the most moving, and the most sensitively rendered American film to appear in 1977 would be, if anything, an understatement. The film is a fulfillment of Aristotle's ideal of dramatic catharsis: it is emotionally draining, and yet fulfilling and ennobling at the same time, for it raises the level of one's perception of the world and one's awareness of the tumultuous inner life of those who inhabit it.

—John Hospers

• Two futuristic novels, both current best sellers, have appeared which deal with the consequences of runaway inflation in the United States: *The Crash of '79* by Paul Erdman and *On the Brink* by Benjamin and Joseph Stein. Both novels are full of action and are ideally adapted for cinematic treatment. It will be interesting to see whether Hollywood decides to make these two revealing and exciting novels into films, and thus perhaps help to prevent the occurrence of the events which the novels describe.

—J.H.

A little boy very badly wanted $100.00 and his mother told him to pray to God for it. He prayed and prayed, but for two weeks nothing happened.

Then he decided that perhaps he should write a letter to God requesting the $100.00.

When postal authorities received the letter addressed to God, they opened it, read it and decided to send it to the president.

The president was so touched and aroused that he instructed his secretary to send the little boy a check for $5.00. The president thought this would appear to be a lot of money for a little boy.

The little boy was delighted upon receiving the $5.00 and immediately sat down to write a thank-you letter to God, which went as follows:

Dear God:

Thank you very much for sending me the money. I noticed that you had to send it through Washington. As usual, those bastards deducted 95 per cent.

books

The Adventurer's Guide

By Jack Wheeler
New York: David McKay. 1976. 257 pp.
$9.95

Reviewed by H. Joachim Maitre

On September 15, 1958, at age 14, Jack Wheeler became the youngest person in mountaineering history to successfully climb the Matterhorn (which, in the meantime, with its awesome 4,478 meters, has become to Zernatt, Switzerland, what its slightly smaller namesake in Anaheim is to Orange County, California).

Two years later at age 16, Jack Wheeler entered alone (and survived it) Ecuador's headhunter country, to live with the infamous Shuara—the world's only people that shrink human heads. That very year (1960), Wheeler also survived 90 minutes in the Hellespont's wintery waters. In doing so, he improved considerably on the classics' Leander (who did not make it, thus unwittingly causing his heroine Hero's deadly downfall). Turkish captain Necati, in charge of rescue operations, was certainly right when exclaiming: "Great display guts. Fine young man came from America swim Dardanelles which had not seen daytime and especially this late in year."

At age 17, he roamed the jungles of South Vietnam's south-central highlands, searching not for the deadly Viet Cong, but for no less lethal man-hungry tigers, wounded leopards terrorizing whole Montagnard villages, and an enormous rogue elephant gone beserk. None of these terrors escaped the hunter's sure aim, and, wrapping up his Far Eastern pacification mission, Wheeler was free to climb Mount Fujiyama. In tennis shoes.

True mountaineers never climb in tennis shoes. To do so is to commit one of the more serious crimes against the guild's code of professionalism. So, while Wheeler's tennis shoes bear witness to Mount Fujiyama's permissiveness, they also give away their wearer's alpine attitude. On the other hand, Wheeler nowhere pretends to be an expert mountaineer. Experts would not waste their time and expertise on mere elevations such as Mount Olympus in Greece, Shri Pada in Sri Lanka (formerly Ceylon), or even Mount Kilimanjaro in Tanzania. All of these pose no challenge to the expert who leaves such hikes, exotic as they may be, to less narrow-minded souls—to Jack Wheeler's future clientele, for instance, and others bent on adven*tour*ism.

Adventourism is no recent phenomenon, the adventourer no new invention. As "globe-trotter" he (and she) has been around for quite some time. His (or hers) used to be an aristocratic hobby, often expensive and always time-consuming. The globe-trotter was admired and envied for his ability to travel to Srinagar and Puna, to Nairobi and Hammerfest, and to spend leisurely months away from home.

True, globe-trotting could be adventurous. Climbing Mounts Fujiyama and Kilimanjaro—as recently as 50 years ago—was bound to be an adventure, and so was crossing deserts such as Gobi or Sahara. Getting there could be a trying experience. Then, however, came air travel and the emergence of the leisure class, resulting in today's mass movements between continents and scheduled flights between exotic capitals and the adventurer's delight of yesteryear. Whether Tikal in Guatemala or Timbuktu in French Sudan, Srinagar in Kashmir or Iquitos in Peru, you can get there by scheduled airlines. Consequently, globe-trotting has become everybody's opportunity.

Take Barbara (originally from San Francisco). An employee with the U.S. Embassy in Tokyo, she is spending her month's vacation "trekking around Sikkim, Nepal, and the Kashmir, having spent earlier ones in Borneo, Hong Kong, Thailand, and southern India. Adventure to her was a way of life," writes Jack Wheeler. Adventure? How can he be serious?

Or take Christine Paul (whom Wheeler met in Samarkand): a woman of 65, whose enormous energy and joi de vivre exceeded even her massive bulk ("she weighed at least 300 pounds"). She had traveled to more places than anyone else Wheeler had ever known. An adventuress? Wheeler must be kidding.

Then there are Clay and Jackie Francisco. Wheeler met them in Bukhara. Or the 72-year-old doctor from New York; he's on crutches, and Wheeler met him in Timbuktu. All honorable globetrotters, no doubt, and victims of the misunderstanding called adventurism. What adventure, after all, could one possibly encouter in Samarkand and Bukhara? Save a few hours with the Soviet Secret Police.

If Wheeler's Barbaras, Christines, and Jackies were adventurers, what then are Robyn Davidson, Jane Wright, and Francoise Claustre? Miss Davidson just completed her crossing of Australia's desolate Gibson desert, on camel-back and after five months of voluntary isolation. Miss Wright was sailing from the Seychelles in the Indian Ocean to Malta when her sloop was shipwrecked off Somalia's coast. She is facing spying charges and the death penalty so popular in Mogadishu. Miss Claustre, a serious archeologist, was held captive for 33 months by rebels in northern Chad's Tibesti mountains and owes her newly won freedom to Libya's political adventurer, Colonel Mohammed Qadaffi. Somehow, Jack Wheeler ignores this kind of adventurism, with its hazards, giving prominence instead to adventourism.

Wheeler's personal record as an adventurer is indeed impressive. But can it be copied? His stay with the Shuara, for example, cannot, for the Shuara today are an intimidated people, having made their peace with the government. Certainly, one can still reach them, if not on foot (which involves weeks) then by helicopter: $200 per day and $200 per hour flying time, he tells us. But is this adventure? Wheeler, in giving detailed information about the Shuara region, is marketing adventure as he experienced it, several years ago, thus denigrating his own achievements.

If flying PanAm to Moscow, embarking on the Transsiberian Railroad, and stopping over at Tomsk and Bratsk is an adventure, then everything and nothing is an adventure anymore. If truck convoys now cross the Sahara on schedule (they do), how can crossing it in an organized travel tour be an adventure any longer? If the State Tourist Office of the Mongolian People's Democracy will let you hunt a rare breed of sheep against payment of a couple of thousand dollars, is "adventure" the appropriate term for your hunt (four-wheel-drive vehicle included in the fare)?

Perhaps Jack Wheeler is as innocent as the book's title makes him appear: an adventurer's guide. To the language-conscious, a contradiction in terms, for a guided adventure is no adventure at all. His book can guide potential adventurers only in the same sense in which outstanding individuals in any realm of activity show the way—by their own achievements. The specifics of such achievements can never, however, be marketed for others' doing.

So, the book is worthwhile, not for its packaging of this or that adventour, but for its recounting of one adventurer's escapades. *Some* of its practical aspects are useful; for example, Wheeler is excellent on firearms—but forget his camera advice. And his introduction is

an enthusiastic, unpretentious boosting of adventure—some of which, by the way, is still to be had in this age of adventourism, but it must be discovered by true adventurers. By the likes of Jack Wheeler.

Mr. Maitre has recently taken up a new position as an editor of the German Sunday paper Die Welt am Zontag—*the latest in a series of adventures that have included the traveling kind.*

The Foundations of Modern Austrian Economics

Edited by Edwin G. Dolan
Kansas City: Sheed Andrews & McMeel.
1976. 238 pp. $12/$4.95

The Economics of Ludwig von Mises: Toward a Critical Reappraisal

Edited by Laurence S. Moss
Kansas City: Sheed Andrews & McMeel.
1976. 129 pp. $12/$3.95

Reviewed by Leland B. Yeager

These two books are part of Studies in Economic Theory—"Austrian" economic theory—a series being edited by Laurence S. Moss and published under the cosponsorship of the Institute for Humane Studies of Menlo Park, California. The Austrian school is so called for the nationality of its founders. Beginning with Carl Menger in the 1870's, these men worked out the theories of marginal utility and marginal productivity and promoted their absorption into the mainstream of economics. Several distinguished Austrian economists migrated to the United States in the 1930's and 1940's. Persuaded by the teachings and writings of their European mentors, American economists have come to form a numerical majority of what is still called the Austrian school.

Members of this school seek to trace all economic phenomena back to the preferences, choices, and actions of individual persons. Denying that outcomes are inexorably fated by impersonal physical conditions, they scorn aggregative concepts—such as gross national product—that lack clear contact with the actions of *individuals.* They are less concerned than mainstream economists with describing and comparing "equilibrium" situations of abstract theory. Instead, they stress the market *processes* of adaptation to ever-changing conditions amidst inescapable uncertaintly. In contrast with so much of mainstream theory, they do not tacitly assume that market participants automatically possess all knowledge relevant to their decisions. On the contrary, the Austrians make it their task to explain how the market communicates and mobilizes vital knowledge of kinds that could not be centralized and that must remain dispersed among millions of separate persons. They appreciate the role of the entrepreneur or promoter, who creatively ferrets out opportunities posed by the incomplete exploitation of knowledge or the incomplete meshing of individuals' plans.

As might be expected, then, the Austrians reject maximization of some sort of collective utility as the goal of economic policy. Instead, they see individuals pursuing their own highly diverse goals and cooperating with one another through market transactions. So they emphasize personal freedom and the value, indeed the necessity, of *decentralized* decision making. Great contrasts are perceived between market processes, on the one hand, and political and bureaucratic processes, on the other. Inflation, depression, and other disorders are traced to governmental meddling, notably with money. Accordingly, Austrians advocate policies of the free market and laissez faire.

Austrian studies focus on decentralized cooperation and coordination. With its emphasis on individual action, subjectivity, uncertainty, dispersed knowledge, entrepreneurial alertness, and coordinative market processes, the Austrian school is skeptical about the use of mathematics and statistics in economics. These tools, they contend, promote a dehumanized static view of the world and block appreciation of ongoing processes.

Dolan's book contains, besides his editorial introduction, 13 papers presented before some 50 conference participants at Royalton College, Vermont, in June 1974. Gerald P. O'Driscoll and Sudha R. Shenoy apply Nobel Laureate F. A. Hayek's theory of money and relative price relations to explain "Inflation, Recession, and Stagflation." Murray Rothbard, Israel Kirzner, and Ludwig Lachmann contribute four papers each. Most of these deal with methodological themes, broadly conceived; but Kirzner and Rothbard also write on capital theory, and Rothbard treats the theory of money and scholastic and other earlier precursors of the Austrian school. As one might expect of the materials from a week-long conference, much repetition and overlapping occurs. Informal discussions presumably added coherence and cleared up obscurities.

Moss's book is better organized, and understandably so. It consists of four main papers, along with a biographical sketch of Ludwig von Mises, a discussion of the papers, and opening and closing remarks. The papers were written for a single session—held during the November 1974 Southern Economic Association Convention—in memory of von Mises, who had died one year before. At his death, aged 92, Mises was dean of the Austrian school, an uncompromising champion of its distinctive methodology, and a staunch opponent of government economic intervention. The session was chaired by Fritz Machlup, a former student of Mises and for many years a distinguished professor at Princeton University. Moss presented a paper on Mises' monetary theory, Israel Kirzner on his subjectivist view of capital and interest, Murray Rothbard on his highly influential analysis of why economic calculation would be impossible under socialist central planning, and William Baumgarth (a young expert on F. A. Hayek's political philosophy) on Mises' liberal (libertarian) outlook on government and politics. Karen Vaughn skillfully wove together the leading themes of the four main papers and added perceptive comments.

The two books under review provide a *sampling* of modern Austrian economics, but they hardly provide, by themselves, an introduction to it. For readers already sympathetic with the Austrian position, they will provide pleasure and deeper understanding. Most of the papers in them, instead of making contributions on the frontiers of knowledge, are expository or exegetical. Still, Moss does offer original insights into the supposed circulatory problem in applying marginal utility theory to money.

With Moss again providing an example, contributors to the two books do not engage in mere adulation of Mises and other eminent Austrians. They notice errors and problems. Vaughn, Rothbard, Baumgarth, and Kirzner raise questions about Mises' basic philosophical position, a rather unsubtle version of utilitarianism. Mises believed that even as a value-free economic scientist he could forthrightly advocate or condemn particular lines of policy. He claimed to be evaluating policies on the basis, not of his own values or goals, but of the values or goals of the proponents and intended beneficiaries of the policies. Rothbard finds this position untenable. As he among others correctly notes, no one can recommend or condemn policies without having adopted some set of values or other. The question then arises whether such values must be arbitrary, subjective, and undiscussible or, on the contrary whether they—and, more broadly, ethics—can have an objective basis that

makes them amenable to scientific investigation. In passages reminiscent of Ayn Rand, Rothbard inclines toward the latter view. (It might seem inconsistent to espouse subjectivism in economic theory yet objectivism in ethics, but the apparent inconsistency could be dispelled. In their respective contexts, the words "subjectivism" and "objectivism" are not opposites.) For me, Rothbard's, Vaughn's, and Baumgarth's remarks along these lines are the most interesting contributions to the two books. Unfortunately, they are brief.

What is the relation between Austrian economics and mainstream economics, including the Chicago School? Both books contain references to a remark of Milton Friedman's at the 1974 conference in Vermont—that there was no such thing as Austrian economics, only good economics and bad economics. But this is a rather epigrammatic and easily refuted statement. The Austrians do tend to be interested in distinctive topics, to employ distinctive methods, and to come up with distinctive insights. If Friedman meant to say, however, that there need be no *clash* between Austrian and Chicago economics, then it's a different story. It would be a healthy ambition for the Austrians—and Lachmann in particular seems to harbor it—to have their contributions absorbed into the mainstream as a major influence on it. Austrian and other approaches to economics are complimentary goods. It is not enough to know Austrianism alone, and libertarians should beware of adopting a house brand of economics, especially if they think it's at loggerheads with other brands.

Complimentarity holds for method as well as substance. The Austrians can show that their favorite methods or approaches, including introspection, yield valuable results. Success speaks. But neither they nor other researchers should issue sweeping taboos against others' favorite methods or topics. To show how mathematics and statistics—or, on the other hand, how introspection—have been misapplied in particular cases is not at all the same as showing that no one could ever fruitfully apply those methods to any economic questions. Any such claim would manifest tremendous arrogance. It would be unworthy of the Austrians, with their emphasis on personal preference, diversity, unpredictability, and discovery. Back in 1946, the physicist P. W. Bridgman warned against too narrow a view on the question of scientific method. He liked "to say that there is no scientific method as such, but that the most vital feature of the scientist's procedure has been merely to do the utmost with his mind, *no holds barred.*"

Leland B. Yeager teaches economics at the University of Virginia.

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My Years with Ludwig von Mises

by Margit von Mises
New Rochelle, N.Y.: Arlington House. 1976.
191 pp. Illustrated. $9.95.

While free-market economists such as Hayek and Friedman have come in of late for long overdue honors, the general public still knows little of the man whom most knowledgeable observers believe to be the foremost classical economist of this century—Ludwig von Mises.

Perhaps with the failure of interventionist economics dawning in an ever-widening circle of public opinion, this situation will be corrected and the name *von Mises* will be as well known to the man on the street as *Samuelson* or *Galbraith* or *Keynes*. Aiding invaluably in this process is an admirable little biography of Professor von Mises by his widow, Margit—a study that looks, not at the theories that propelled her husband to the apex of libertarian thinkers, but rather at the individual himself, a man who devoted his whole life to economic freedom and the diversity of the marketplace.

Already a scholar of some note in the first decade of this century, Ludwig von Mises served in the Austrian army in the First World War and in the 1920's performed as a high official of the Austrian Chamber of Commerce, a semiofficial trade organization, advancing to a position as one of his nation's foremost thinkers through the publication of his ground-breaking study *Socialism*.

He was not a garrulous or an outgoing man; his manners were reserved and courtly and belonged, even in that decade, to an earlier era, but upon meeting Margit—a distinguished and lovely actress and a translator of dramatic properties—he resolved to end the bachelor ways his academic colleagues felt he would never forsake.

Nothing got in the way of his work, however. He continued to carry forward the gospel of free-market economics to the rest of Europe. In 1934, either through a careful reading of the Central European political situation or by mere fortune, he migrated to Switzerland. Four years later, when Hitler marched into Austria, von Mises spirited his future bride out of Vienna and completed their decade-long courtship.

A comfortable life in Geneva was threatened by continued German agression, and the couple made their way across the remnants of free Europe in 1940 to America, where Ludwig was offered a post in California.

Now in his sixties, von Mises began a second career, teaching seminars at New York University, writing voluminously (it was in the New World that *Human Action*, *Bureacracy*, and *Omnipotent Government* were written), lecturing throughout the Americas, and influencing an entire generation of American classical economists.

He was, as ever, an unbending advocate of a free society. As von Mises himself said of a colleague, Benjamin Anderson, in words that are equally applicable to himself: "His most eminent qualities were his inflexible honesty, his unyielding sincerity and his unflinching patriotism. He never yielded. He always freely enunciated what he considered to be true. If he had been prepared to suppress or only soften his criticism of popular, but obnoxious policies, the most influential positions... would have been offered to him. But he never compromised. This firmness marked him as one of the outstanding characters of this age."

David A. Pietrusza

frontlines

Libertarian Women

The **Association of Libertarian Feminists** was well represented at the International Women's Year Convention in Houston, TX, Nov. 16-20. Tonie Nathan was appointed as a national delegate-at-large at the last minute, largely through the lobbying efforts of Libertarian Party National Director, Chris Hocker in Washington. Nicole Bergland and Linda Rader of California and Sue Bjornseth of Houston organized the libertarian effort at the convention.

The libertarians shared a display booth in the exhibition hall with *Majority Report*, a feminist magazine, and were able to hand out literature to those who stopped to talk. There were 2,000 delegates at the convention—and about 1,800 news reporters and other media representatives. A news conference and a talk show appearance were arranged by the Houston libertarians, who had just completed Allen Vogel's campaign for mayor and had made a number of media contacts.

According to Tonie Nathan, the organizers of the convention maintained a tight control on the agenda and the microphones. No new business was allowed to be introduced, and the only defeat suffered by the organizers was the proposal for a Cabinet-level Department of Women in the federal government. This proposal was viewed as a job-creation deal for Bella Abzug and voted down.

The Oregon Delegation proposed the decriminalization of prostitution, which is one of about 50 proposals which will be considered by the IWY Commission for presentation to Congress early next year as part of the "women's agenda." Tonie Nathan's proposal for the repeal of postal regulations forbidding the mailing of contraceptive information and repeal of the National Association of Broadcasters' code restricting the advertisement of contraceptive materials was also included in this list.

Among other contacts at the convention, Oklahoma State Senator Mary Helm discovered the libertarian feminists and enthusiastically joined them. Helen Blackburn, co-chair of the Iowa delegation, had just joined the Libertarian Party in Iowa, although she disagreed with the L.P.'s position on the United Nations. Others interested in ALF should write to Suite 1428, 41 Union Square West, New York, NY 10003 for more information.

Anti-Inflation Institute

The **Institute on Money and Inflation**, Suite B-1, 314 East Capitol Street, Washington, DC 20002, has recently been formed "to make sound money a respectable topic of discussion on Capitol Hill." As a tax-exempt policy study group, the I.M.I. plans to bridge the intellectual chasm between the significant body of economic literature on inflation, money, and unemployment and the hundreds of members of Congress who fail to understand any of it. In the October newsletter, I.M.I. quotes the *Wall Street Journal* in an interview with a Treasury official who commented that Carter doesn't understand why there is high inflation and high unemployment at the same time. Treasury Secretary Michael Blumenthal answered a question from Senator Jack Schmitt on inflation by saying, "we really don't understand it...." Indeed, the depth of economic illiteracy among the nation's lawmakers is astounding. But, of course, government makes a profit several different ways from expanding federal credit and promoting deficit finance. The ignorance may stem from a deeply ingrained habit for dissembling.

The newsletter of the I.M.I. is available on request, along with reprints from the *Congressional Record* on the recent action by the House and Senate legalizing the use of gold clause contracts by American citizens.

Fighting Newspeak

Back in 1973, at the Libertarian Party convention in Cleveland, Howard Katz remarked that one of the biggest problems with inflation was the tendency of people to think in terms of "rising prices" instead of "shrinking money." The frame of reference most people use to think about value is the unit, one dollar, and in that perspective inflation looks like the work of evil businessmen. If the process were viewed as depreciation of the dollar instead of rising prices, shifting the focus to the actions of government instead of the actions of producers and sellers, 90 percent of the political battle would be won.

Katz's **Committee to Establish the Gold Standard**, 85 Fourth Ave., New York, NY 10003, and Jim Blanchard's **National Committee for Monetary Reform**, in New Orleans, are planning to sponsor a nationwide advertising campaign to highlight this difference in perceptions. Anyone interested in this campaign, which includes professionally prepared ad copy, cartoons, etc. should contact Jim Blanchard at 1524 Hillary Street, New Orleans, LA 70118. The Committees are presently raising money to insert the ads in major national media. Inflation continues to top the chart of issues which worry the general public the most, exceeding the unemployment issue by a substantial margin.

Howard Katz has long advocated a grass-roots, blue-collar approach to the gold standard struggle. Fifty years ago the labor movement well understood the way in which workers are screwed by government monetary policies. Ludwig von Mises once wrote that during the 19th century, millions of people knew nothing about the classical liberals except that they supported the gold standard—and that was enough to win elections. With the upsurge of inflation expected in 1978, and the specter of wage and price controls by 1980, now is the time to push the hard money issue as far as possible.

Former Chairman of the President's Council of Economic Advisors, Herbert Stein, has written a book entitled *On the Brink*, published by Simon and Schuster, based on the scenario of hyper-inflation in 1983, with a return to gold money as the final solution. Now that Senator Jesse Helms' bill to legalize private contracts in gold, as well as foreign currencies, has passed it may be time to mount a major initiative against the popular conception of money as a necessary government monopoly.

Joe Cobb

This column is concerned with an analysis of activities on the "frontlines" of the battle of political principles, and with news about people who are active in the struggle. We appreciate news and ideas from readers. Please send materials to Joe Cobb, Box 1776, Chicago, IL 60690 for consideration and use in FRONTLINES.

viewpoint

[Continued from p. 38.]

The anarchist perception of America's reality is not a political analysis, it is a psychological distortion. Dedicated to that nightmare distortion, and to its corollary dream of a Stateless and nationless world, the anarchists have instinctively sought alliance with other haters of the

State and nation. Accordingly, they have gravitated to the crudest destroyers in the land. They have slid into an alliance with the Left. And they manage, marvellously to ignore the fact that 1) what the American Left hates above all, and what it wishes above all to destroy is not the State, but *capitalism*, the very basis of liberty—and that 2) the major target of the Left today, is that cluster of civilized values that are integral to capitalism: reason, science, technology, industry, productivity, private property, profits, individualism, and meritocracy. None of this complex context seems relevant to the anarchists. Hatred is the real bond between them and the Left. Hatred is the ultimate determinant of their positions.

That is the real nature of the deal struck by the constitional republicans and the anarchists. Reverence has been swapped for malice. The motor of the libertarian movement has been switched.

And here we are, today. And by "we" I mean only two kinds of people—the idealistic constitutional republicans and the libertarian movement, and that substantial number of young trendy anarchists who are playing utopian games. This column was not written to debate with the real anarchists (one cannot debate people's nightmares and dreams) —it was written for the leaderless, rudderless group which, through a series of traumas, misunderstandings, and errors has allowed the libertarian movement to be taken over lock stock and barrel by an anarchist faction. These people are due, very shortly, for a terrible shock. In the course of this coming year, they will discover that the libertarian movement will be represented in the intellectual marketplace by two slickly edited magazines, which will link that movement inexorably with the Left. *Libertarian Review*, edited by Roy Childs, was the first to appear. On the basis of its first few issues, one can say that it is dependent upon the counterculture for its social themes, and its economic and political content is a schizoid mix of libertarian and leftist analyses. The leftist articles—attacks on big business, US foreign policy and defense—are written from precisely the same perspective of hatred, and with precisely the same pattern of factual selectivity and evaluative stresses, that appear in the socialist *Progressive*. The purpose of these articles is not to disentangle business from the government in order to increase America's economic power and freedom, or to improve our foreign and defense policies in order to enhance America's strategic power and freedom—it is rather to expose industry as corrupt and to render America militarily impotent. Not coincidentally, *LR*'s chief columnist, Walter Grinder, is actively pushing (as part of his sanctified list of revisionist historians) the works of a *Progressive* editor, Sidney Lens, who is a particularly virulent enemy of the US defense establishment, industry, and technology; who is a professional anti-anti-communist; and who blames the United States for every evil in the world. Mixed in with such articles are excellent libertarian and anti-socialist analyses. It is a schizophrenic publication reflecting the anarchist incapacity to differentiate between the motives, goals, and value systems of different opponents of the State.

Worse, far worse, is yet to come from *Inquiry*, edited by Williamson Evers. By the time this column appears, the first few issues will be out. But on the basis of *Inquiry*'s flyers, one can know a great deal. Evers has scraped the bottom of the leftist barrel for some of his future contributors, and you ought to know more about them than he will ever tell you. One is Marcus Raskin, of the Institute for Policy Studies. Raskin is not just any old name in a mixed bag of contributors. He is the head of the foremost leftist "think tank" in the United States. On August 23, 1976, David Kelly published in *Barron's* (edited by libertarian Robert Bleiberg) an expose of Raskin and his IPS, revealing that he represents everything that is most inimical to an individualist, pro-capitalist libertarian who is concerned with the well-being of the United States. In one IPS essay, Raskin assaulted the very basis of individualism and meritocracy in a typically sleazy New Left fashion: "Cheating should be encouraged in the universities. We must clarify the obvious, that none of us learns alone, thinks and acts and creates without others participating. . . . Knowledge and learning is [sic] not a privatistic activity." In a further commitment to moral sleaze, Raskin shared the responsiblity for *Counterspy*, which printed the names of US CIA agents, resulting in the murder of a CIA agent in Athens. Raskin's IPS is commited to the "new socialism," and its view of man-as-termite. Specifically, it advocates a stop-growth anti-technology, small-scale communist-tribalist society, heavily Maoist in orientation. He and the IPS are out to destroy US industrial and military strength, and the private property-capitalist system. David Kelly, author of the *Barron's* expose, told me he had been asked to write for *Inquiry*, but refused because he would not appear in a magazine that published Raskin.

Raskin is not the only IPS contributor. Another is Karl Hess, long associated with Raskin, who has joined the Termite Left, has repudiated private property and capitalism, and now calls himself a Maoist. Yet another contributor is David

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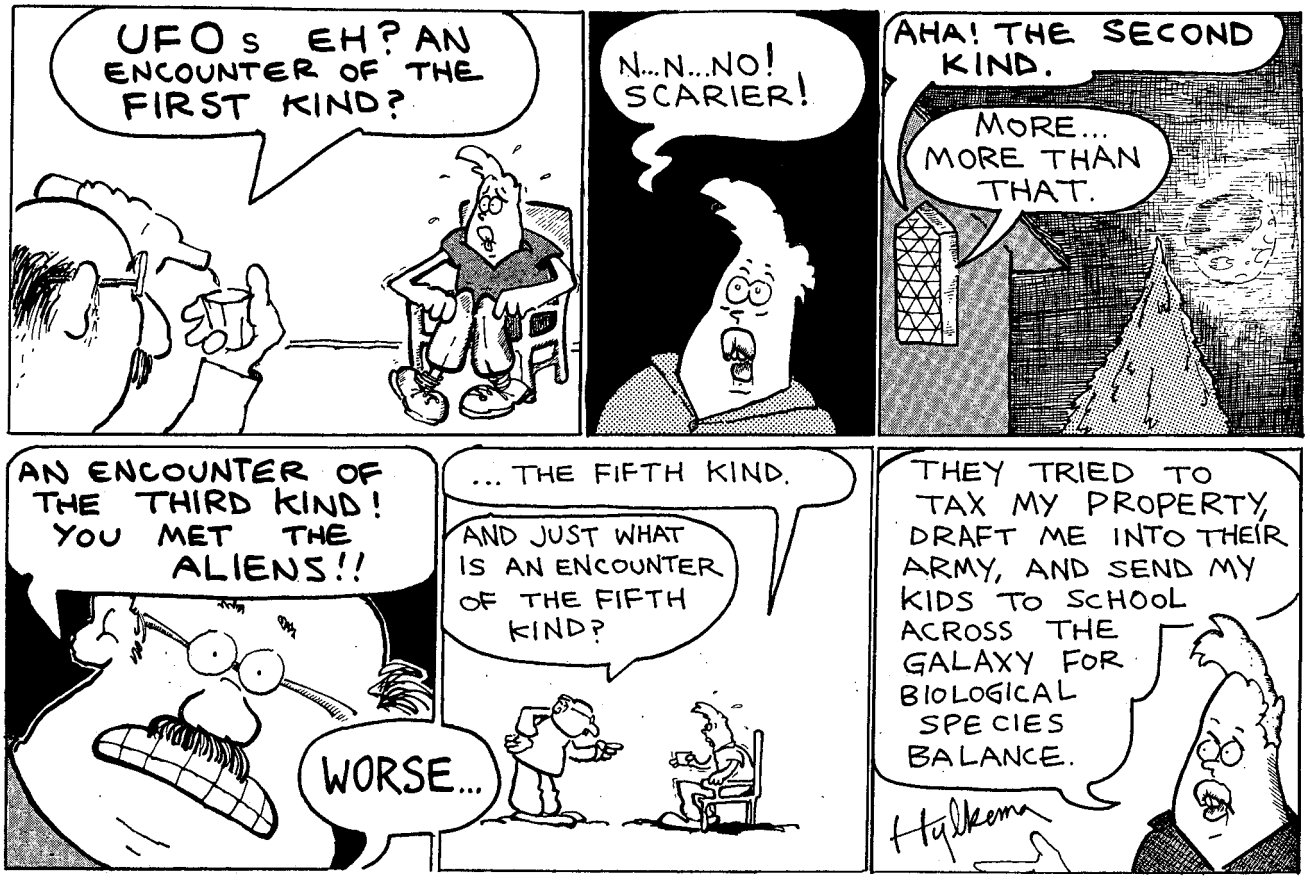
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M. Szonyi, of Breira, whose Middle Eastern policies play into the hands of those who would destroy Israel, and whose executive committee has ties with the IPS. Yet another contributor is Noam Chomsky, an anti-capitalist and Third Worlder with links to Breira. Yet another is socialist Congressman Ron Dellums. And finally, there is a gaggle of anti-American revisionist historians, CIA and Pentagon haters, anti-anti-communists, and a *Village Voice* writer who will stand guard over our allegedly continuously imperiled First Amendment—all these mixed in with a few moderate liberals and a couple of free market libertarians. The selection of contributors chosen by Evers as a come-on for subscribers to *Inquiry* says loud and clear to all political sophisticates: This is a publication with a dominantly New Left policy.

It is also being run like a con game. Anarchist Evers' prospectus for writers tells liberal and leftist contributors that the magazine's philosphy is "Jeffersonian liberal." And his correspondence to libertarians tells them that the magazine is being edited for "open-minded liberals and leftists"—a curious formulation for a magazine largely written by the Left for the Left. Evers does plan to smuggle in a little free-market economics. Accordingly, he warns potential libertarian contributors to handle such "buzzwords as *capitalism*, *the free market*, and *the price system*" carefully, so as not to confuse or antagonize the liberals and leftists. "Buzzwords" indeed! I should add that Evers did not send me this warning; I received a copy of his letter from a distinguished laissez-faire economist, Roger LeRoy Miller, who had been asked to review a book on the "political economy" of a whorehouse. You can bet your boots that Evers will not ask Marcus Raskin of the IPS to discuss the "political economy" of latrine cleaning.

Inquiry, backed by a millionaire patron, is being passed off by the strategic geniuses of the anarchist world as a brilliant piece of tactics. It seems almost gratuitous to point out that its secretive intention of conning the Left into accepting capitalist ideas is a precise psychological replica of Murray Rothbard's aborted scheme of taking over the Cleaver party. A village idiot, of course, could figure out who has taken over whom. Evers has simply *given* the Left a new and costly forum for its views—a forum it could not obtain in the free market.

These, then, are the new magazines which are going to represent libertarianism to the world of opinion journalism, to the media, and generally, to the intellectual community. Thanks to *Inquiry* in particular it will be widely known within six months that the libertarian movement has allied itself to the anti-American Left. The anti-Left constitutional republicans did not ask for this. They were not consulted about it. In their tragic passivity, it has simply happened to them. And it alters their relationship appreciably to this movement. So long as their compromise with the anarchists merely meant keeping silent about their loves and loyalties, the price was the private one of stagnation and paralysis. But now, every man jack of them is facing the grotesque public fact of a libertarian-leftist alliance.

What should they do about it? Repudiate that alliance sharply. Specifically they should do five things: 1) Refuse to buy these publications; 2) Refuse to contribute to them; 3) Denounce their policies and demand ceaselessly that they be changed; 4) Send a barrage of letters to the millionaire backer of these publications explaining that they

will destroy the libertarian movement; and 5) Reopen the anarchist vs. limited government debate, which never should have been closed.

The fifth is actually the most important since the magazines themselves will ultimately fall of their own weight. The market for a pathologically evasive anarchist-Maoist-anti-American product, above all one that falsely pretends to be "Jeffersonian liberal," is marvelously limited. It is the constitutional republicans—the limited governmentalists—who must immediately tend to their own gardens. They must pull themselves out of their prolonged post-Objectivist torpor. There has been far too long a period of mourning for the god that failed. And they must now proceed to discover what their position actually entails. That of course will take time. But right now, they can certainly know what their position does *not* entail. By definition, a limited government position does not entail destroying the nation-state. And it does not entail supporting those who seek that destruction.

Contributing editor Edith Efron writes a regular column for *TV Guide* and is the author of several books. Her viewpoint appears in this column every third month, alternating with those of Alan Reynolds and Tibor Machan.

Editors Note: Due to the controversial nature of this month's Viewpoint, we have devoted more than the usual space to it. Other authors will address themselves to this important subject in future issues.

letters

[Continued from p. 10.]

statist rhetoric—and they may even be sincere in their hatred for the State, at least in its present form. But that doesn't mean that they're our comrades in the battle for individual liberty. We must not fall into the trap of valuing rhetoric over philosophy.

Hopefully, I have made my point. It may seem like nit-picking to some, but it is my firm belief that our success in the marketplace of ideas will depend largely on how we package our product. And it is to this end that I have made these observations.

David F. Nolan
Denver, CO

Letters from readers are welcome. Each receives editorial consideration, although only a selection can be published and none individually acknowledged. Letters submitted for publication in this column should be typed, double-spaced. They should be kept as brief as possible and are subject to condensation. Send letters to REASON, P.O. Box 40105, Santa Barbara, CA 93103.

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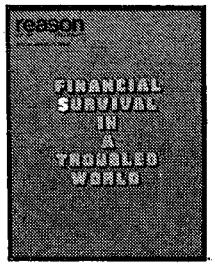

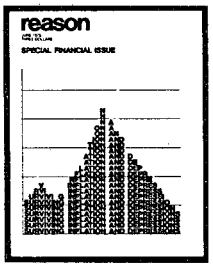

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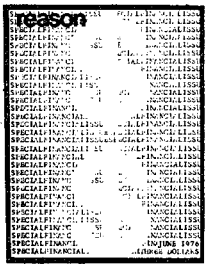

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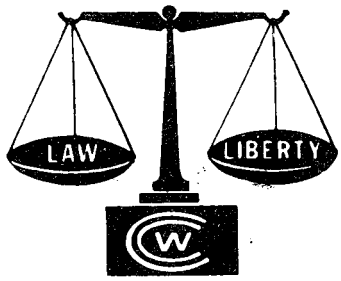

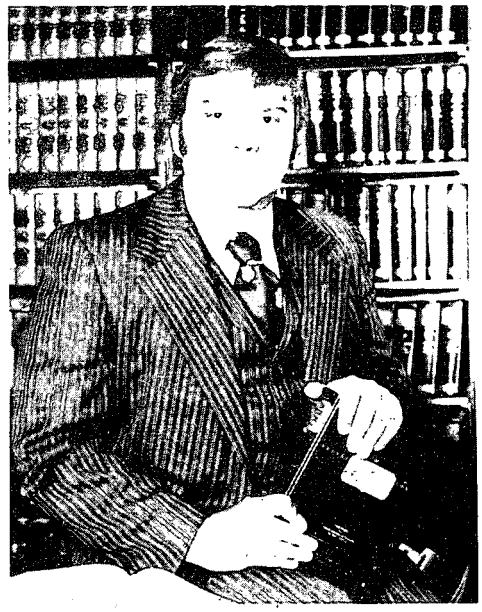

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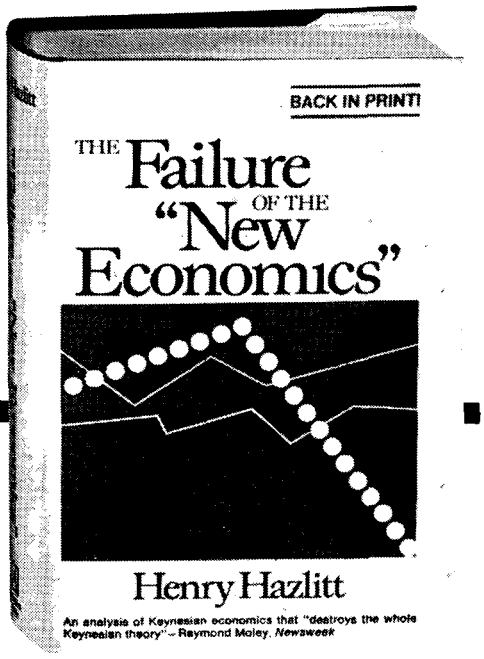
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